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November 24, 1969

Selling on the Rhine: $5 million potential

International Trade Winds Newsletter

Company News

BANK EQUIPMENT—Burroughs Corp., Detroit, announced that its United Kingdom affiliate Burroughs Machines Ltd., has purchased Speytec Ltd., a U.K. electronics firm that developed and manufactures a cash dispensing machine. The invention enables a bank depositor to obtain a certain amount of cash by inserting a type of credit card and receiving the money. By acquiring Speytec of Croydon, England, Burroughs will be able to market the dispenser throughout the world. Orders for at least 500 machines have already been placed. To meet production requirements, Burroughs' U.K. manufacturing facilities are being expanded.

CONSTRUCTION—Fluor Utah Engineers & Constructors, Inc., newest subsidiary of Fluor Corp., Ltd., Los Angeles, is participating in the 700,000-kilowatt Manapouri hydro-electric project at a mountain lake in New Zealand. Fluor Utah is digging a 32,000-foot tunnel to allow the lake water to drain into the Tasman sea. Fluor Utah is currently engaged in a variety of engineering and construction projects in the United States, Australia, Canada and South America.

ESCALATORS—Otis Elevator Co., New York, has announced that Elevadores Otis, S.A. de C.V. is designing and supplying 120 escalators to the Mexico City subway project. Each escalator, which will operate automatically as passengers approach, can carry 10,000 persons per hour. Two busy subway stations will have eight to 12 escalators while most other stations will have two. The first section of the subway opened in August. Completion of the line is scheduled before the end of 1970.

CHEMICALS—The $40 million agricultural chemicals manufacturing and marketing facilities of Austral-Pacific Fertilizers, Ltd., 76% controlled jointly by Dow Chemical Co., Midland, Mich., Swift & Co., Chicago, with the balance held by financial institutions and investors, has begun partial operations. Production began in April at the 580-ton-per-day ammonia plant; a 625-ton-per-day urea unit is in the start-up phase; and construction of a $5.5 million phosphate fertilizer facility is underway. The manufacturing facilities are located on Gibson Island in the Brisbane Harbor.

The Water Supply and Sanitation Exhibition/Seminar to be held at the U.S. Trade Center in Bangkok Jan. 19-24, 1970, is being augmented by a trade mission. The Consulting Engineers Council of the U.S. is sponsoring an industry-organized Government-approved mission —the Council's fifth—which will attend the events, emphasizing the product theme of the exhibition. Members will also talk with industry and Government leaders about all aspects of engineering services.

The Standard Industrial Classification coding system, widely used by trade associations throughout the United States and soon to be used by the American Chamber of Commerce in Spain, will have still broader application before long. The British-American Chamber of Commerce is compiling a classified directory of the membership of its Chamber in New York, as well as its three sister Chambers in Los Angeles, San Francisco and Chicago, using SIC numbers.

Heard of Ameriport? Don't look in the atlas for it--yet. It's the new name for the Ports of Philadelphia, embracing Camden, Chester, Gloucester, Trenton, Paulsboro, Marcus Hook and Wilmington, as well as Philadelphia itself. The designation covers a major industrial shipping area in the center of the Eastern Seaboard's Boston-to-Richmond megalopolis. Sponsor of the name is the Delaware River Port Authority, whose World Trade Division now has headquarters in downtown Philadelphia.

A warm welcome to the Asian Statistical Institute, established in Tokyo this fall by the Japanese Government and the United Nations Development Program. The aim is better statistical services by Asian governments, which means better world trade reporting. Planners in the international divisions of U.S. firms are among those ultimately benefiting.

Because the high-speed news media concentrate on the exceptional rather than the commonplace, the U.S. businessman abroad has an added duty and an important one. So believes H. M. Connelly of Kraft Foods. He means that the U.S. image abroad is being distorted by reports that overplay sensational details, and that the American overseas —the businessman, particularly—can and should do much to put this image into better balance.

NOTICE: This information is offered to preview or provide informally brief and varied comment on Bureau of International Commerce worldwide export and investment promotions. It is not final and does not substitute for detailed know-how and analysis in our regular news columns.

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the cover

Passing the old Cologne Cathedral on the Rhine, the M.S. *Loreley* starts her journey down river to the second of five stops on the Rhine River Solo Exhibition. In the background to the right of the ship, the M.S. *Europa,* which housed exhibition officials and company representatives, is visible. Twenty-nine American firms set up exhibits in the *Loreley* which were seen by almost 2,200 trade visitors. Details of the second major mobile show in the history of Department of Commerce promotions begin on page 2.

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MORE THAN 3,200 VISITORS, almost 2,200 of them trade representatives, from five major market areas boarded the floating U.S. exhibit in the Rhine River.

U.S. SAILS 29 FIRMS DOWN RHINE

Floating show nets sales

Rhine River exhibition seen by 3,200 in 5 European cities; projects $5 million in sales

Twenty-nine American exhibitors who took to the water in a first-of-its-kind U.S. nautical exhibition through the heart of Germany and the Netherlands netted $374,080 in orders and now anticipate catching an additional $5 million in the next year.

This unique water-borne trade show, the Rhine River Solo Exhibition, was sponsored by the U.S. Department of Commerce, and featured industrial process controls, instrumentation and computers. It sailed 800 miles through one of the most highly industrialized areas of the world.

Opening Oct. 13 in Cologne, the *M.S. Loreley,* housing the exhibits, and the *M.S. Europa,* housing Commerce and exhibiting officials, began the first two-day stop and then sailed to Wiesbaden, Karlsruhe and Duisburg, closing Oct. 25 in Rotterdam. Each of the five cities is in the heart of a major industrial area and about half of Germany's industry and most of the Netherlands' manufacturing is within about 50 miles or an hour's drive from the Rhine.

Although nineteen of the exhibitors entered the show not expecting to make floor sales, almost every company ended the show with a sale. Reasons varied from the high capital investment involved in each piece of equipment to the fact that many devices will require additional research before fabrication.

In addition to sales, another aim of the show was to attract new American firms to the Rhine River market area. A goal of 50% of all exhibitors was set and of the 29 that took part, seven were entering exporting for the first time and eight were making their first appearance in the Rhine's market area.

Agent applications

Seventeen companies were also seeking agents and distributors through the Rhine River show, including one firm which was seeking joint ventures in both Germany and Holland. At the beginning of the show, 34 agency positions were available; by its close, 139 applications had been received. Three agency/distributorships were signed.

Of the 3,232 visitors who boarded the *Loreley* to see the exhibition, 2,186 registered as business representatives. Visi-

tors from Belgium, Italy, Switzerland and France also attended the show.

Passing the million mark in projected sales for the next 12 months was International Computer Products of Dallas. Estimating $1.2 million in orders for the next year, the show ended with 17 candidates for representatives under consideration. International displayed DigiCorders, DigiDeck and a memory system in its first appearance in exporting.

Filters and marine waste treatment systems were on exhibit in the Lundy Electronics & Systems, Inc. booth. The Long Island firm estimated $1 million in additional yearly sales and is negotiating with six agency/distributorship prospects.

Also reporting successful sales during the trip was King Engineering Corp. of Ann Arbor, Mich. Displaying filtration and indicating systems, King sold $50,000 in equipment from the floor and is anticipating $100,000 in added sales in the coming year. This was King's first venture into the West European market area.

California Office Systems of San Francisco, which entered exporting for the first time, indicates that the show was vital for opening the doors to new business. Their on-board booth consisted of computers. Several of the show's exhibitors report $100,000 or more in orders over the next year based on contacts made at the show.

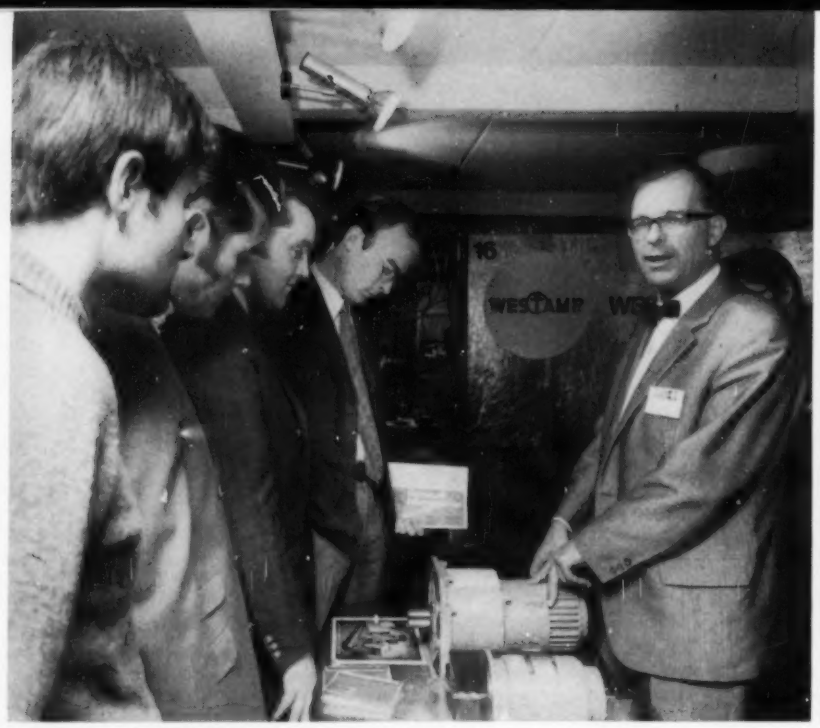
New ideas

Sales were not the only valuable result exhibitors gained from the show. For Troxler Electronic Laboratories, Inc., of Raleigh, N.C., ideas for a new application for their equipment came to light, which they are now exploring.

To stage the Rhine River Solo Exhibi-

ENDING THE SHOW with six prospects for European representatives, Lundy Electronics & Systems is estimating $1 million in sales of filters and marine waste treatment systems over the next year.

REGISTRATION FIGURES FROM THE SHOW indicate 2,186 business representatives visited the exhibit (below). Total attendance hit 3,232. Above, visitors at the Tektronix Inc. display view the Oregon firm's scan converter unit. Several businessmen listen, bottom right, to an equipment explanation.



EXHIBITORS IN THE RHINE RIVER SOLO EXHIBITION had the chance to display their products in five major industrialized areas. The exhibit of Westamp, Inc. is shown at above left. Representatives of International Research & Development Corp., right, discuss equipment with a visitor.

tion, Commerce's Commercial Exhibitions Program had to conduct one of the largest market promotions in its 7 year history. Hitting five major industrial areas with a single show required more than 658 individual calls on top leaders of companies utilizing industrial process controls, instrumentation and computers. Over 80% of those contacted visited the *Loreley*. A Commerce team of six plus Embassy and Consulate General officials made the calls throughout Europe, including the United Kingdom, Belgium and France.

Herbert A. Heberling, an International Trade Specialist with the Commerce San Francisco Field Office who made 116 calls, remarked that many of the German firms he contacted were surprised that a U.S. Government employee would take time and have enough interest in visiting German companies to acquaint them with the coming show.

U.S. exhibitors

Other exhibitors not mentioned above include: Bailey Meter Co., Wickliffe, Ohio; Computer Automation Inc., Newport Beach, Calif.; Eclipse Fuel Engineering Co., Rockford, Ill.; Electro Sonic Control, Manteca, Calif.; P. G. Foret, Inc., Sudbury, Mass.; Houston Atlas, Inc., Houston; Hydra-Electric Co., Burbank; Infotronics Corp., Houston; International Research & Development Corp., Worthington, Ohio; Ircon International Inc., Niles, Ill.; Kennedy Company, Altadena, Calif.

Lockheed Electronics Co., Data Products Division, Los Angeles; Luft Instruments, Inc., Lincoln, Mass.; Martin Engineering Co., Neponset, Ill.; 3M, St. Paul; Moore Industries, Inc., Van Nuys, Calif.; SRC Division/Crescent Technology Corp., Newport Beach; Sangamo Electric Co., Springfield, Ill.; Scanivale, Inc., San Diego; Sonicor Instrument Corp., Farmingdale, N.Y.; Spiras Systems, Inc., Waltham, Mass.; USM Corp., Beverly, Mass.; Westamp, Inc., Santa Monica.

Rhine show sparked by U.K. rail event

Groundwork for the Rhine River Solo Exhibition began more than 1½ years ago—after the January 1968 London Trade Center rail show. Loading all of the Trade Center's 16 exhibitors from the January show for compact computers into seven British Railway cars, the exhibition went mobile, visiting four other cities in England and Scotland.

When the trip ended in February, the exhibitors reported $242,000 in confirmed orders and made $2.1 million in additional sales over the next year.

After its success, the Department of Commerce's Commercial Exhibition Program's (CEP) staff began searching for other ideas for a mobile show. The mobile concept presents more flexibility than most conventional exhibitions. By taking the products to the audience, more members of industry can visit the exhibition. A trip up the Rhine from Rotterdam to Switzerland was suggested. In October of 1968, Commerce market researchers visited the proposed areas for stops in the coming show. The Rhine River was selected because it flows through one of the most industrialized areas of the world.

Switzerland, the last stop on the trip, was dropped because the passenger boats to be used could not pass under some of the Rhine's bridges; to shorten the trip, Strasbourg, the only stop in France, was deleted. And, instead of sailing up the river, the plan was reversed and the show sailed down the river, opening in Cologne and ending in Rotterdam.

The Rhine River and the U.K. rail exhibitions are the only mobile shows Commerce has staged. Plans for another train show, however, are now under way.

Export credit protection for U.S. traders outlined

Comprehensive program supports Administration's $50 billion export goal

By DALLAS M. COORS

Office of Commercial and Financial Policy, BIC, in collaboration with the Export-Import Bank and Foreign Credit Insurance Assoc.

"The fundamental trade policy of the Nixon Administration is expansionist, not protectionist," Secretary Stans told NEEC members at a recent meeting in Washington. "In fact and in word we are committed to the achievement of freer trade between nations, and we are very aggressively seeking the greatest possible expansion of American exports. One of the first acts of this Administration was to convene the Cabinet Committee on Export Expansion, which had not met since 1964, and that Committee established the first national export goal in the Nation's history: $50 billion by 1973.

"Beyond the setting of goals we are taking the practical, positive steps necessary to encourage American business to do business abroad . . . we are going to improve ways and means of obtaining more credit for export financing."

In a similar vein, the President of the Export-Import Bank of the United States (Eximbank), Henry Kearns, recently stated "World conditions today make it imperative that the volume of trade between free nations be expanded, not contracted. For the United States as a whole, this means exports must be increased measurably to achieve a favorable financial balance. . . . The experienced trader knows that the total export sales package must include competitive terms."

Harder sell for U.S.

Today more than ever U.S. exporters are finding it increasingly difficult to sell in traditional markets or to expand into new markets because of the imaginative financing and competitive terms being offered by competing sellers in other exporting countries. The high cost of doing business abroad and the keen competition of others is also a deterrent to U.S. manufacturers who have not previously looked at foreign markets, but who indeed have products for which overseas demand exists.

Success in today's more highly competitive export markets places greater emphasis on the availability of credit. Buyers are increasingly unwilling to purchase U.S. goods and services on the basis of cash against order or confirmed irrevocable letters of credit. They are demanding terms running from cash on arrival of documents or of goods to time drafts, open account or even installment payments spread over a number of years. What is more, the governments of other exporting nations are supporting the effort of their exporters to meet these terms.

Larger firms are often able to adjust to these extended terms and may even carry their own export paper. Smaller firms may well find longer terms a distinct strain on their working capital. Both large and small exporters are, however, increasingly turning to export credit guarantees or insurance to protect themselves against the increased risk that credit sales entail. Alert company treasurers are discovering also that their liquid funds can be more advantageously employed in their manufacturing operations than by carrying export receivables on their own books. By insuring their export receivables—especially those which involve longer repayment periods—they very often can obtain bank financing (from more than 375 banks) and at somewhat more competitive rates.

Recognizing the increasingly difficult competitive position of our exporters, the U.S. Government has sought to provide effective protection and support for their overseas sales. The Eximbank, in cooperation with the country's commercial banks and insurance industry, has since 1962 been providing protection for the exporter against the commercial and political risks inherent in overseas sales. Export credit insurance as we know it today is relatively new in the United States, although the Eximbank had been offering a system of export guarantees to commercial banks for some years.

Thus it was, seeking to expand the services it had long been providing, that in October 1961 Eximbank, working with the private insurance industry, established the Foreign Credit Insurance Association. Today, FCIA is an association of some fifty leading stock and mutual insurance companies. It is not only fully staffed and completely equipped to provide protection to our exporters, but its services are backed up by the resources and experience of the Eximbank. Through the Eximbank, the Government supports FCIA and underwrites all of the political risks and, when requested, a part of the commercial risks of the policies issued by FCIA.

FCIA thus has become a partnership between the Eximbank and private insurance companies to provide protection to American exporters against both commercial credit and political risks when they are obliged to sell on extended terms. This is an example of successful constructive cooperation between government and private enterprise to assist U.S. businessmen.

The concept of export credit insurance was slow to be accepted by American exporters. Nevertheless, an appreciation of the value of this protection has become increasingly evident. During fiscal 1969 FCIA issued, renewed, and approved policies aggregating $824.3 million, an increase of 15% over 1968.

The chart on pages 8-9 describes in more detail the various programs which are available to exporters and banks: insurance protection through FCIA, and guarantees through Eximbank. It may be helpful, however, to emphasize a few of the advantages of each.

FCIA Policies

Short-term Insurance (up to 180 days). This policy is issued to the exporter. He may take out a comprehensive policy protecting him against both commercial and political risks or a policy covering only political risks.

In obtaining this insurance the shipper receives what is known as a whole turnover policy. Although it is the general desire that the exporter agree to insure all of his eligible short-term export credit sales, policies may permit exclusion of sales to certain major buyers or countries, or cover sales of only specified product lines, provided the sales to be insured give a reasonable spread of risk.

When the policy is issued FCIA normally assigns a discretionary limit within

FCIA in brief

The Foreign Credit Insurance Association is an unincorporated group of about 50 private insurance companies, operating in partnership with the Export-Import Bank of the United States. It was established in October, 1961. Since its inception the volume of export sales insured has aggregated nearly $6 billion.

FCIA headquarters is at 250 Broadway, New York, N.Y. 10007.

Representative offices are located across the country: in the Mid-West at 100 South La Salle St., Chicago, Ill., 60602; and at 85 Front St., P.O. Box 272, Berea, Ohio, 44016; in the South at 1520 Texas Ave., Houston, Tex., 77002; and in the West at 24 California St., San Francisco, Calif. 94111.

which the exporter may extend credit, without prior approval of FCIA, to any eligible buyer on whom the exporter has on file, at the time of shipment, reports which justify the credit. Whenever an exporter has shipments which exceed the established discretionary limit, FCIA will, upon application, grant a Special Buyer Limit.

Additional Coverage: Additional short-term coverage over and above the basic policy terms can be obtained by means of an endorsement and extra premium. This includes coverage during the period of manufacture or assembly of the merchandise (the basic policy applies only from the time of shipment), or coverage of merchandise on consignment or sales from warehoused stock abroad.

Other aspects of the short-term policy of special interest to potential exporters include:

► A particular advantage of this short-term insurance is the ability of the insured to assign the policy proceeds to his bank. This added protection very often will encourage a bank to provide a larger line of credit or to assist an exporter with his export financing where the transaction might not otherwise be bankable.

► Eligible policyholders include U.S. firms and individuals and also foreign entities doing business in the United States. They may be manufacturers, dealers, exporters, or combination export managers. Application for a policy may be made through the applicant's insurance agent or broker, through the local representative of any member company or directly to FCIA. Commercial banks, factors and others who finance export sales without recourse to the exporter may also qualify as policyholders.

► Credit terms must conform to those generally used in international trade for the particular product shipped. The short-term policy may cover any type of product shipped on terms not exceeding 180 days. Exceptionally, longer terms (to one year) may be approved.

► An advance deposit (later returnable)—10% of the expected annual premium—is paid when the policy is taken out; regular premiums are payable with declarations of shipments made by the 15th of each month, covering shipments of the preceding month. Under the comprehensive policy political risks are covered to 95% of loss; commercial credit risks to 90% (95% for agricultural products).

► The premium varies according to the terms extended and the market to which the merchandise is being shipped.

For the short-term comprehensive policy, for example, the average premium rate is less than 50 cents per $100 of gross invoice value, based on a reasonable spread of country markets. Special limitations apply to certain higher risk markets.

Gross invoice value includes price, insurance, freight and other charges paid by the exporter in U.S. dollars.

► A policyholder may file claim for loss directly with FCIA or through his insurance broker.

► Commercial credit loss claims are payable upon submission of proof of the buyer's insolvency or of his failure to pay for goods delivered and accepted within six months after due date. Political loss claims are payable within three months after evidence is submitted of a loss due to a named political event.

Medium-term Insurance (181 days to 5 years). This policy, unlike the short-term policy, is written on a case-by-case basis. It protects exporters against nonpayment of installments and interest due on credit sales of capital goods, durable consumer goods or other products normally sold on longer payment terms.

In most cases these policies are written as a comprehensive policy, to include both commercial and political risk, but the exporter may, if he wishes, cover only the political risk, retaining the commercial risk for his own account.

Medium-term policies require that the buyer make a cash payment at the outset (with the order or by the time of delivery), usually not less than 10% of the invoice value. It is also expected that the exporter will retain for his own account and risk throughout the life of the credit at least 10% (5% for agricultural products) of the financed portion remaining after the customer's cash payment. These conditions are influenced by country risk and varying market conditions.

A single sale or a series of repetitive sales to the same buyer during a twelve-month period may be insured.

Medium-term rates are set per $100 of "financed portion;" i.e., principal amount due over and above buyer's cash payment, and the coverage includes interest up to 6% per annum.

Other terms of these policies which might prove of particular interest to the exporter:

► Each sales contract is the basis for a separate policy and is quoted separately.

► Premium rates vary with the repayment schedule and the country to which the shipment is made.

► All maturities of buyers' notes evidencing unpaid balance are covered against both commercial and political risks.

► Interest rates on the transaction are negotiated by the buyer and the exporter. FCIA does not limit the interest charged the importer but will insure only that portion that does not exceed 6% per annum.

► Coverage on the basic policy starts from date of shipment, but insurance may be obtained to cover the period of manufacture (pre-shipment coverage) by an endorsement and payment of an additional premium.

► The policy does not apply to any loss with respect to which a dispute exists between the insured and the buyer until the loss is determined to be the valid and legally enforceable indebtedness of the buyer or until the dispute is otherwise settled to the satisfaction of FCIA.

► In some instances, when the buyer lacks adequate financial strength for the transaction in question, FCIA may require a local guarantor such as a local bank or an acceptable commercial firm. Sales to public buyers generally require a guarantee of the Ministry of Finance, the Central Bank or acceptable commercial bank.

► Policy assignable. The medium-term policy carries the privilege of assigning the policy proceeds to a commercial bank. Exporters should note that this can be done whether the bank finances the transaction with or without recourse to the exporter, and once again the protection afforded by the insurance serves as a strong stimulant to the banking community to assist in export transactions that might not other-

wise qualify for bank financing. A special broad form of "hold harmless" assignment is available to banks financing the insured portion of the credit without recourse.

Combined Short-term/Medium-term Comprehensive Policy. This policy is designed principally for manufacturers and exporters of capital and quasi-capital equipment. It covers their sales of such equipment as well as related parts and accessories to their overseas distributors and dealers.

During an initial period, up to 270 days, the equipment itself may be displayed and demonstrated by the buyer without the initial cash payment normally required prior to delivery. Should the dealer resell for cash during the floor-plan period, he would be obligated to pay the exporter promptly in full with no additional insurance necessary. On an installment sale to an end-user, instead of financing the paper locally, the dealer is granted comparable time to pay the exporter, by making appropriate cash payment at time of sale and substituting installment notes for the original floor-plan draft.

On the other hand, if at the end of 270 days the equipment remains unsold, the dealer may either convert to medium-term insurance by making the normal cash payment and signing installment notes for the unpaid balance or he may extend the coverage to 360 days from date of importation with the full invoice value due at the end of this 90-day extension. The related parts and accessories are insured on the normal short-term basis.

This policy enables the exporter to offer a liberal and flexible financing package to his overseas distributor-dealer network. FCIA will endeavor to tailor the terms of this combination policy to the individual exporter's needs.

Protection against what risks?

The chart on pages 8-9 indicates the types of protection available under these policies, but a few of the more important points deserve special attention.

► Insolvency of the buyer; or failure to pay the insured within six months of the due date of the obligation (commercial risks).

► Transfer risk; inability to convert the buyer's local currency deposited in payment of the obligation into U.S. dollars.

► Cancellation or non-renewal of export license prior to shipment.

► War, civil war, rebellion, civil commotion.

► Expropriation, confiscation or intervention in the business of the buyer or guarantor by a government authority.

► Transport or insurance charges incurred after shipment by diversion of the carrier, due to political causes.

► Cancellation of the import license prior to arrival of merchandise.

► By special endorsement, buyer's failure or refusal to accept shipment may be covered after exporter assumes, as first loss, 40% of invoice value under the short-term policy, 25% of financed portion under the medium-term.

► Also available by an endorsement to the policy and for an additional premium are: preshipment contracts, providing coverage from date of execution of contract rather than from date of shipment; protection for consigned merchandise and sales from consigned stocks or overseas warehouses.

As in any insurance program, there will be risks which cannot be covered. Policyholders should consult with FCIA or with their insurance agents to understand fully the scope of coverage.

Medium-Term Guarantees to Commercial Banks (180 days to 5 years). As an alternative to the FCIA medium-term insurance policy, an exporter may obtain assistance for his credit sales abroad through guarantees issued by Eximbank to U.S. commercial banks. Eximbank offers this unique protection only when banks agree to finance medium-term export sales without recourse to the exporter.

This Eximbank program serves the same basic purpose as FCIA medium-term comprehensive insurance, and in general its cost to the exporter is about the same. Its approach, however, is different.

In the FCIA programs an exporter obtains the insurance and follows through with necessary paperwork. If he desires financing, he assigns the proceeds of the insurance policy to his bank. In the guarantee program, the commercial bank is the prime mover seeking a guarantee for a credit it is willing to extend for an exporter. The commercial bank is responsible for satisfying itself regarding the soundness of the transaction, making the necessary credit judgment, preparing and submitting the application for the Eximbank guarantee and following through with the necessary paperwork.

As the commercial bank carries part of the commercial risk under such a guarantee, some banks which are relatively inexperienced in foreign trade transactions may not be willing or able to handle Eximbank guarantees. Also, a bank's outstanding commitments and judgment of the risks involved are factors in its decision to take on additional guarantee business.

Nevertheless, in the past year 142 commercial banks or financial institutions—including most of the large banks with experienced international departments in major commercial cities—participated in this program. In all, Eximbank authorized guarantees covering $285 million of export obligations in fiscal year 1969. The facilities of these banks may be available to exporters in other locations as well, since many of them have correspondent relationships with banks which are distant from the major commercial centers.

Although the Eximbank guarantee program is by no means confined to large transactions, many of these guarantees cover sizable transactions. Some commercial banks prefer not to request Eximbank guarantees for the small medium-term transactions, recommending insurance

Eximbank in brief

The Export-Import Bank of the United States is an independent agency of the Federal Government originally established in 1934, now operating under the Export-Import Bank Act of 1945, as amended. It is located at 811 Vermont Ave., NW., Washington, D.C. 20571.

Aside from its medium-term commercial bank guarantee program and its participation with FCIA in the export credit insurance program, both of which are described in the accompanying article, Eximbank's major programs include:

- Financial guarantees to U.S. and foreign sources of finance for U.S. exports.
- Guarantees to exporters of U.S. services such as feasibility studies, design, and construction supervision.
- Guarantees to U.S. exhibitors at Trade Fairs abroad.
- Guarantees to U.S. lessors of equipment leased abroad.
- Relending credits to borrowers abroad to finance U.S. purchases by subloans to small and medium sized entities.
- Direct loans to assist in financing U.S. purchases by public or private entities abroad.

coverage instead. On the other hand, banks familiar with the guarantee program and willing to take the additional risk, often utilize guarantees rather than FCIA insurance for many transactions, particularly since the collateral advantages to the bank may be greater than when it is assigned an FCIA policy.

Under the guarantee program the commercial bank is required to provide financing to the exporter usually for 90% of the credit on a non-recourse basis. The bank takes the commercial risk on the early maturities for its own account and Eximbank guarantees the commercial risk on the later maturities, Eximbank guarantees against political risks for the entire term of the loan.

How it's done

As under FCIA insurance, the buyer provides a cash payment—generally not less than 10% of the invoice value—and the exporter retains at least 10% of the remainder (5% for agricultural products), this is the portion to be financed. The remaining portion of the invoice value is financed by the commercial bank, with Eximbank guaranteeing to the bank payments of principal and interest on the export paper. Eximbank guarantees are limited to 90-95% of the financed portion with interest covered up to 6%.

The exporter deals only with the commercial bank, leaving the negotiations with Eximbank to that bank. In many instances—where the transaction conforms with the normal trade pattern for the equipment, the exporter is a regular customer of the bank, the market is fairly good, and the buyer's credit-worthiness is satisfactory—the commercial bank can quickly approve a transaction, usually within a few days. This is particularly true where the commercial banks participating with Eximbank in this program are prepared to use their discretionary authority to approve—without prior consultation with Eximbank—certain transactions up to approximately $1 million in the better world markets (FCIA holds a similar discretionary authority to expedite issuance of its policies).

Advance commitment offered

As with FCIA insurance, Eximbank guarantees may be for sales for which orders have been obtained or are being negotiated, or they may be provided as advance commitments to meet bid invitations. Also, as with FCIA insurance, guarantees may cover a revolving line of credit instead of the usual single transaction; this is particularly useful for exporters making regular shipments to agents or representatives. Local bank guarantees are not generally necessary but if the financial position of the buyer is "weak" they may be required.

What is credit insurance? Credit insurance per se is a branch of casualty insurance. It protects manufacturers, agents, other suppliers as well as banks and other financial institutions against possible nonpayment losses that may result from granting credit terms to buyers abroad. It does not cover physical damage to products shipped or any risk for which coverage is available through marine, fire or other form of insurance.

Credit insurance is never based on the premise that the seller can grant credit without exercising normal prudence and business judgment. Nor should it substitute for the seller's own credit department. It does, however, protect against those losses which may be beyond the control of the exporter. These would include not only the insolvency or protracted default of the buyer, but also political and economic contingencies beyond the control of the seller or buyer.

This protection should greatly increase the ability of the exporter to arrange bank financing of the transaction should he wish to do so.

Not a new concept

Credit insurance is not new. History records that a credit insurance company was organized in England in the early 18th century. German traders have benefited from such a government program since 1917, and traders in England since 1918. Today some thirty countries provide export credit insurance and this protection for exporters has markedly contributed to the increased export trade of those countries; an increase that has benefited the earnings of local companies as well as the balance of payments of these countries.

Competition in other countries is actively seeking new markets and the credit insurance their governments provide for them gives them the added means to be competitive. Traders in the United States are now offered insurance and guarantee programs second to none. Exporters are urged to learn more of this program, to find out how it can help to develop and expand overseas markets.

To do so, they may either contact the regional offices of the FCIA in San Francisco, Chicago, Cleveland and Houston, or its home office in New York City. Or contact the nearest branch office of one of the many associated insurance companies who are participating in FCIA, the international banking department of the exporter's bank or the nearest Department of Commerce Field Office (see list on page 44).

U.S. Credi

Program
Purpose
Risks covered [1]
Types of goods and services [2]
Basis of coverage
Amount of coverage
Nature of obligations
Cash payment requirements
Repayment period
Determination of credit-worthiness of buyer
Availability of preshipment coverage [5]
Availability of advance commitment
Cost to exporter [7]
Who applies
Where to apply
Administering agency

[1] Nonacceptance coverage is available in appropriate circumstances. Neither insurance nor guarantees, however, provide coverage when a dispute exists between buyer and seller, or when exporter fails to live up to his contractual obligations.

[2] In addition to the Eximbank guarantees to commercial banks outlined on the chart, Eximbank issues guarantees (comprehensive or political only) directly to U.S. suppliers for certain services (including architectural and design, engineering studies, and

nsurance and Guarantee Programs

Short-term insurance (up to 180 days)	Medium-term insurance (181 days to 5 years)	Medium-term guarantees to U.S. commercial banks
To enable exporters to extend credit by covering most of their risks through insurance, and enhancement thereby of their potential capacity to borrow from banks and other financial institutions, through assignment of the proceeds of the policy.	To enable exporters to extend credit by covering most of their risks through insurance, and enhancement thereby of their potential capacity to borrow from banks and other financial institutions, through assignment of the proceeds of the policy.	To encourage banks to increase their nonrecourse financing to exporters and thereby expand sales of U.S. goods and services. Also designed to facilitate the sale of export paper by commercial banks to other financial institutions.
(1) Commercial risks, i.e., insolvency and protracted default, and (2) political risks, i.e., currency inconvertibility, cancellation or restriction of import or export license, expropriation or confiscation, loss due to war, revolution, or civil disturbance, and certain others.	(1) Commercial risks, i.e., insolvency and protracted default, and (2) political risks, i.e., currency inconvertibility, cancellation or restriction of import or export license, expropriation or confiscation, loss due to war, revolution, or civil disturbance, and certain others.	Eximbank guarantees political risks for early maturities and both commercial and political risks for later maturities. Commercial bank assumes commercial risk on early maturities.[5]
Any type product containing at least 50% material and labor of U.S. origin sold abroad for dollars and by special endorsement sales in foreign currencies.	U.S.-produced goods, generally equipment and other durables also agricultural products sold abroad for dollars.	U.S.-produced goods, generally equipment and other durables, sold abroad for dollars.
Whole turnover (all eligible exports) or reasonable spread of risks.	Single sale or revolving sales to a single buyer.	Single sale or revolving sales to a single buyer.
Up to 90% of losses due to commercial risks; up to 95% for political risks. Policy subject to overall limit of liability and also to maximum amount of credit outstanding to each buyer.	Up to 90% of financed portion of contract for losses due to either commercial or political risks.	Up to 90% of financed portion of contract.
Any of usual instruments used for short-term credit transactions (letters of credit, drafts) or open-account arrangements.	The financed portion of each such transaction must be evidenced by a promissory note or series of notes, or in certain cases drafts, in a form prescribed by FCIA, payable in U.S. dollars, in the United States.	The financed portion of each such transaction must be evidenced by a negotiable promissory note or series of notes, or in certain cases drafts, in a form prescribed by Eximbank, payable in U.S. dollars, in the United States.
None.	Foreign buyer provides minimum of 10% cash payment; 15% required in more difficult markets.	Foreign buyer provides minimum of 10% cash payment; 15% required in more difficult markets.
Credit terms customary for the goods in international trade up to 180 days.[2]	[4] Credit terms customary for the goods in international trade up to five years.	[4] Credit terms customary for the goods in international trade up to five years.
Exporter shipping against discretionary limit specified in each policy must have in his files at least two satisfactory current credit reports from reliable sources. FCIA, at request of exporter, may arrange a special limit for a buyer justified by available credit information in excess of discretionary limit.	Exporter provides complete description of transaction(s) and credit information relative to buyer(s) and proposed guarantor(s).	Eximbank relies generally on credit judgment of commercial bank up to an established limit. Above that figure the commercial bank should supply Eximbank sufficient information to permit a judgment of the credit risks.
Yes.	Yes, primarily for specially fabricated products, granted on merits of case.	Yes, to exporters in connection with issuance of comprehensive guarantee to a bank. Available primarily for specially fabricated products, granted on merits of case.
Not applicable because policy issued for ensuing year's business.	Yes.[3]	Yes.[6]
Variable, according to buyer's country and terms of payment. Costs normally vary from 0.09% to 2.14% of gross invoice value.	Variable, according to buyer's country and terms of payment. Costs normally vary from 0.46% to 5.88% of financed portion.	Variable, according to destination and terms of payment. Fees are roughly comparable to the insurance premiums under FCIA medium-term comprehensive policies.
Exporter. Financial institutions which relieve exporter of credit risk may also qualify.	Exporter. Financial institutions which relieve exporter of credit risk may also qualify.	U.S. commercial bank or other U.S. financial institution.
Through local insurance agent, broker, FCIA member company, or to FCIA itself.	Through local insurance agent, broker, FCIA member company, or to FCIA itself.	Exporter deals with his commercial bank which applies to Export-Import Bank.
Foreign Credit Insurance Association (FCIA), 250 Broadway, New York, N.Y. 10007.	Foreign Credit Insurance Association (FCIA), 250 Broadway, New York, N.Y. 10007.	Export-Import Bank of the United States, Washington, D.C. 20571.

economic surveys), for lease of equipment overseas, for goods abroad on consignment awaiting sale, for goods abroad on exhibit at trade fairs, and sales from consigned stocks.

[3] In special circumstances, insurance will be provided up to 1 year under short-term policies.

[4] Terms longer than five years will be considered in individual cases to meet foreign public-supported competition.

[5] Basic coverage provides protection from time of shipment, whereas preshipment contract coverage affords protection while product is being manufactured.

[6] In addition to the normal advance commitment for medium-term guarantees or insurance, Eximbank will give to commercial bank or FCIA, prior to submission of a formal application, an advance political risk commitment on a particular country, good for 90 days.

[7] These rates are not annual interest but rather flat rates applying to the full term of the insurance or guarantee. Charges for preshipment coverage are in addition to the costs outlined above. These rates are subject to change.

[8] Early maturities are defined as first half of the installments of a 1- to 3-year credit or the first 18 months of a 3- to 5-year credit (excluding the participation of the exporter). The later maturities are the remaining installments.

NOTE.—The requirements and conditions of the programs outlined above apply in typical situations but may vary depending upon country of destination.

AT NFTC

Stans relates trade steps; Roche flays protectionists

Commerce Secretary, GM Chairman keynote 56th convention of national trade group

Secretary of Commerce Maurice H. Stans reviewed the Nixon Administration's response to the needs of the nation's exporters, including the formulation of the newly-introduced trade bill, at the 56th annual National Foreign Trade Convention.

Speaking at both a pre-Convention press conference and as the keynoter for Government participants at the opening session, Secretary Stans promised more significant trade actions in the near future and pledged that the Administration would continue to clear obstacles from the path of U.S. exports.

In addition to the trade bill, the Secretary also said that measures which should result in "substantially increased export credit" will be announced before the end of the year. "We recognize that there have been disparities" in the export financing provided to U.S. exporters and that which other governments have given to their traders. "We recognize that this isn't fair, and that we've got to be competitive in credit availability."

The Secretary said that the new measures probably won't achieve the goal of export credit parity this year, "but we will next year or the year after or somewhere along the line."

In his keynote address to the Convention, the Secretary also listed the steps which the new Administration already has taken or plans to take in the foreign trade area, including:

"A more reasonable taxation of export earnings, in order to make exports more profitable. This is under intensive study at the present time, and I am hopeful that concrete proposals can be formulated within 30-60 days.

"As one step in our program, we've just appointed an International Director of Convention and Business Travel Development, with headquarters in Paris. He is working to increase the number of international meetings held in the U.S. These conventions constitute a $1 billion market. Europe gets 67% of this; the United States and Canada combined get only 10%. We want a lot more of that billion—and we're out to get it."

Again in the area of eliminating the invisible barriers affecting foreign trade, the Secretary said that "In the case of Japan, we have exchanged lists of nontariff barriers, and three weeks ago our representatives met in Geneva to begin an exchange of views on a wide range of restrictive systems and practices.

"In addition, the member nations of the General Agreement on Tariffs and Trade have just agreed to move out of the fact-finding stage on nontariff barriers, and get down to brass tacks, the business of how to eliminate them. Guidelines have been established for five working groups, and progress reports are scheduled for next May.

KEYNOTERS COMPARE NOTES before opening session. From left, Commerce Secretary Maurice H. Stans, GM Chairman James M. Roche, NFTC Chairman Robert J. Dixson, NFTC President Robert M. Norris.

More victim than culprit

"I can assure you that the United States will press very hard to move these discussions forward. We in the United States have some nontariff barriers against certain imports, but we are convinced that we are more the victim than the culprit. And we want them eliminated, or at least dealt with on a fully reciprocal basis."

The Secretary also called on the leaders of developing nations to remove barriers against private foreign investment. "We in the United States know first hand what foreign capital can mean to a country's development. In the 19th Century, we were the great underdeveloped nation of the world. Foreign capital came in and built much of our original transportation network—roads, bridges, canals and railroads. It was attracted here because we offered investors the advantages of political stability, full legal protection of property, and the unlimited right to take out earnings or withdraw capital.

"I believe the leaders of all countries have a responsibility to create a favorable climate for the reasonable entry and repatriation of capital and earnings. Investors need assurance of a welcoming attitude on the part of every segment of society—working people, farmers, professional people, businessmen, as well as government leaders. They should understand, of course, that their country is competing against every country for scarce resources—capital and know-how—and that foreign investment will go to the country that offers the most hospitable climate.

"In a free enterprise economy like ours, it is always business that must actually carry the ball. But this is not going to be one of those exercises where government just sits on the sidelines and cheers. We're going to be right down there on the playing field doing our best to run interference for you," Mr. Stans said.

Roche lists five tasks

The Secretary's fellow keynoter, General Motors Board Chairman James M. Roche, listed five tasks for the specific attention of his business audience:

► Let us implement the Kennedy Round, and look beyond, to further tariff reduction.

► Let us cut down the non-tariff barriers and remove restrictions on investment.

► Let us establish an effective international monetary mechanism and assure sufficient liquidity for growth.

► Let us create a truly international capital market. And

► Let us help the developing nations achieve their potential.

Roche came down particularly hard on protectionism, saying "Our troubled and restless world has still not come to recognize the folly and futility of protectionism. The protected industry must surely suffer in the end. Because costs to the consumer rise, protectionism abets inflation even as it stifles world trade. Retaliation becomes inevitable. Our government, by both voice and practice, should be a vigorous champion of expanding trade around the world. We must be ready to drop what unfair barriers we have raised as we persuade our trading partners in other nations to lower theirs."

He told the Convention audience that they should mount an aggressive attack of such non-tariff trade barriers as import quotas, subsidies, discriminatory customs, border taxes, and other ingenious schemes that "subtly choke off trade and deny the spirit of the Kennedy Round."

But, Roche said, new non-tariff barriers in the form of import quotas are even now being proposed in the United States. "More than half the members of both houses of our Congress—50 Senators and 223 Representatives—have sponsored quota bills. This legislation, if passed, could affect an estimated $10 billion in imports. Enactment of even some of these quota proposals would surely trigger retaliatory actions against our exports. It would mark another step away from freer trade," he said.

MORE THAN 2,000 OF AMERICA'S top international businessmen attend the annual sessions of the National Foreign Trade Convention. Above, James M. Roche addresses the opening session of the meeting.

Brazilian Economist Roberto Campos told the opening day's luncheon that Latin nations often resort to economic nationalism through fear of domination by U.S. interests.

He asserted that ideological dogmatism allows the Latins to "buy pride but lose income. We must be attuned to the winds of change." Campos pointed to the emerging roles of the church and the military, which have become positive forces for economic development in some nations, as evidence of these winds of change.

Campos endorsed the Report of the Commission on International Development (Pearson Report) and the Rockefeller Report on Latin America as providing a realistic base on which both the United States and Latin America can base their efforts to develop the region.

In his address to the International Finance Session, Dr. Guido Carli, governor of the Bank of Italy, called for a more imaginative approach to solving the international aspects of inflation. Since world economic growth seems destined to remain an uneven thing, he called for the development of appropriate devices to help avoid the sharp jolts and shocks brought on by sudden monetary crises.

"We have seen that international monetary cooperation has always been ready for and effective in dealing with those crises; yet, unfortunately, it does not have the merit of having prevented them.

"The problem of increasing the price of gold has lost momentum and gold quotations are weakening in all markets. The international monetary system will undoubtedly rest on more solid foundations if the two following conditions will prevail: on the one hand, we should resist the temptation to inject newly mined gold in the monetary circuit, and instead direct it mainly to industrial uses; on the other, the newly-approved Special Drawing Rights (SDR's) of the International Monetary Fund shall have to be created in reasonable amounts according to the needs of the adjustment process and should be used wisely so to become, within a few years, the main component of world reserves," Carli said.

Carli also said he favored the studies which are now being conducted at the International Monetary Fund of the technical and economic implications of the so-called crawling-pegs, possibly combined with a modest widening of the margins within which fluctuations are allowed.

JANUARY-SEPTEMBER '69

Trade surplus edges up

U.S. exports rise slightly faster than imports, reversing last year's pattern

U.S. foreign trade continued to advance in the first nine months of this year but the rates of increase in exports and imports were more subdued than in 1968.

Exports through the third quarter were running at a seasonally adjusted annual rate of $36.4 billion (excluding military grant-aid), 7% above the actual 1968 total. Imports rose by 6.7% to a rate of $35.5 billion. As a result of the somewhat faster advance in exports, the gross merchandise surplus inched up to a yearly rate of $975 million, about $140 million above last year's level.

The quarterly trade pattern in 1969 was severely distorted by the dockstrike. The complete shutdown of Atlantic and Gulf coast ports beginning December 20 caused first quarter exports and imports to fall sharply below year-end levels. Following the resumption of shipping operations, trade picked up strongly in the second quarter but the January-March shortfall was only partially recovered. Losses were apparently larger in exports than imports, reflecting the relatively greater weight in our shipments abroad of products for which substitution could more readily be made. Agricultural commodities in particular fall into this category; large stocks in other major exporting countries and a much improved supply situation in the traditional importing areas facilitated the shift to other sources.

Because of these strike-related distortions, trade data for the first and second quarters revealed little of the underlying trend. However, if adjustments are made in the recorded data for the estimated strike impact, the emerging pattern indicates a faster rise in exports than in imports in the first half. This is a significant shift from 1968 when imports increased more than twice as rapidly as exports. In the third quarter—a period considered to be relatively free of distortions—shipments continued to advance faster than purchases of foreign products.

Nonfarm exports rise

Manufactured and other nonfarm products accounted for the entire rise in U.S. exports in the first nine months of this year. At a seasonally adjusted total of $23 billion, these shipments exceeded their level in the comparable 1968 period by 11%. However, the rate of increase from July-December (6%) was considerably less than the growth rate from the first to the second half of last year (9%). Much of this slowdown can be attributed to the dockstrike which caused a substantial loss in the first quarter, only part of which was recovered in the second. There was also a sizable drop in the level of civilian aircraft exports. The slowdown in nonfarm shipments was moderated by an increase in military deliveries which were not affected by the longshoremen's walkout.

Machinery sales in forefront

Machinery sales were in the forefront of the export expansion. Following a 7.8% gain between the two halves last year, these shipments continued to increase at this rate in January-September. Compared to the same period a year ago, the gain was 13%. The buoyancy in machinery exports reflected primarily the boom in capital spending in our major markets. Particularly expansive were shipments of computers, materials handling equipment, and construction tractors. In electrical machinery, electronic navigational aids and semiconductor devices and parts increased rapidly.

New export orders for machinery received by U.S. manufacturers rose strongly this year. Through September, these orders averaged 18% above the 1968 rate. This was a substantially faster rate of increase than that recorded last year. The ratio of unfilled orders to sales, a rough indicator of delivery time, continued to decline.

Shipments of transport equipment expanded at a considerably slower pace than last year. The slowdown was mainly due to a sizable drop in commercial aircraft

Major commodity changes in nonfarm exports

Commodity	January-September 1969	
	Value	Change from Jan.-Sept. 1968
	Millions of dollars	
Motor vehicles and parts	2,387	+ 325
Military aircraft	496	+ 262
Iron and steel-mill products	614	+ 212
Computers and parts	503	+ 160
Semiconductor devices and parts	248	+ 96
Nonferrous base metals	511	+ 83
Engines, turbines, and parts	926	+ 69
Iron and steel scrap	212	+ 67
Radio and TV apparatus	404	+ 56
Scientific and controlling instruments	335	+ 53
Chemical elements and compounds	999	+ 52
Materials handling equipment	382	+ 44
Agricultural machinery; tractors and parts	692	+ 41
Special nuclear materials	53	+ 35
Coal and petroleum	822	+ 32
Civilian aircraft	914	− 145
Synthetic rubber	98	− 50
Fertilizers, manufactured	171	− 30
Metalworking machinery	244	− 22

deliveries—these exports declined by 14% compared to January-September 1968—and to a lower growth rate for auto and parts shipments to Canada. In neither case was U.S. competitive ability involved. In view of the very large increases in aircraft sales in 1968 and the forthcoming delivery of more advanced types of planes next year, a decline in 1969 was anticipated. The less vigorous rise in auto shipments to Canada reflected a more gradual pace in the integration of the North American automotive market, stimulated by the U.S.-Canadian trade agreement of 1965.

Chemical shipments sluggish

Exports of chemicals declined by 5% in January-September from levels recorded in the final half of 1968, which may have been inflated by strike anticipatory shipments. Compared with the same period a year ago, these exports showed no change. Major shipment gains were reported for nuclear materials (mostly to Japan, Germany, and the United Kingdom) and medicinals (to Japan, Canada, and Bermuda). Significant declines were noted in exports of manufactured fertilizers and insecticides.

Strong demand in Western Europe and Canada caused exports of iron and steel-mill products to rise by more than one-half, the most rapid rate of increase in many years. Sales of these items to Canada were stimulated by a prolonged strike in that country's steel industry.

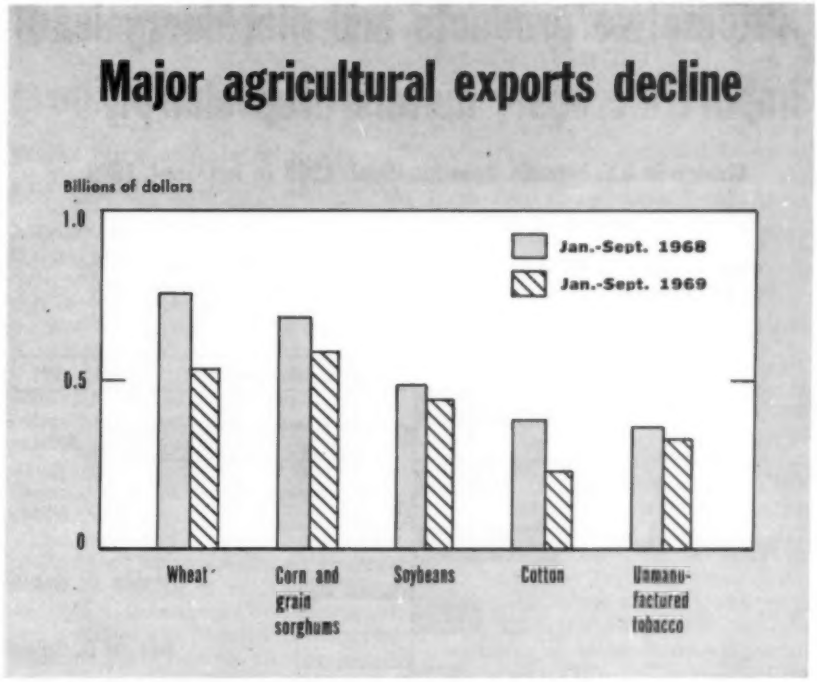
The unusually strong foreign demand for steel had other beneficial effects on U.S. exports. Increased requirements abroad for our high quality coking coal, mostly in Japan, pushed coal shipments 15% above the comparable 1968 level. Part of the gain in exports of iron and steel scrap can also be attributed to the high rate of Japanese and, to a lesser extent, other countries' steel output.

Exports of copper ores and scrap showed a large drop from inflated levels in the comparable months last year. That period included the last half of the long copper strike during which U.S. ore and scrap supplies were freed for export. Shipments of refined copper rose in value but declined sharply in quantity, reflecting substantial price increases.

Significant gains were recorded in exports of scientific and controlling instruments, medical instruments, and sound and other recording devices.

Farm exports decline

Increased supplies of grains in other major exporting countries, as well as in traditional importing areas, and permanent losses suffered during the shipping tieup have combined to depress U.S. farm exports this year. At $4.3 billion, seasonally adjusted, these shipments were running roughly a tenth below 1968 levels.



Wheat exports fell by nearly a third from the same period a year ago, mostly as a result of lower government-financed deliveries to India, Pakistan, and Brazil. Despite increasing requirements for feed grains overseas, induced by rising numbers of livestock particularly in Western Europe, exports of corn and grain sorghums fell by 15%. In addition to increased corn production, an important contributing factor was the growing use of substitutes, especially the lower priced denaturized type of wheat.

Shipments of soybeans were also cut back. On the one hand, foreign importers were holding off purchases in expectation of lower prices for the new crop. On the other hand, substantial stockpiling in Japan late in 1968, related to the approaching dockstrike in the U.S., reduced requirements this year. Cotton exports declined by two-fifths, partly as a result of increased competition abroad and partly because of a reduction in U.S. exportable supplies.

The only significant advances in agricultural exports occurred in shipments of meat and fruit. Canada and Japan accounted for most of the gain in meat sales.

This article was prepared by the International Trade Analysis Division of the Commerce Department's Bureau of International Commerce.

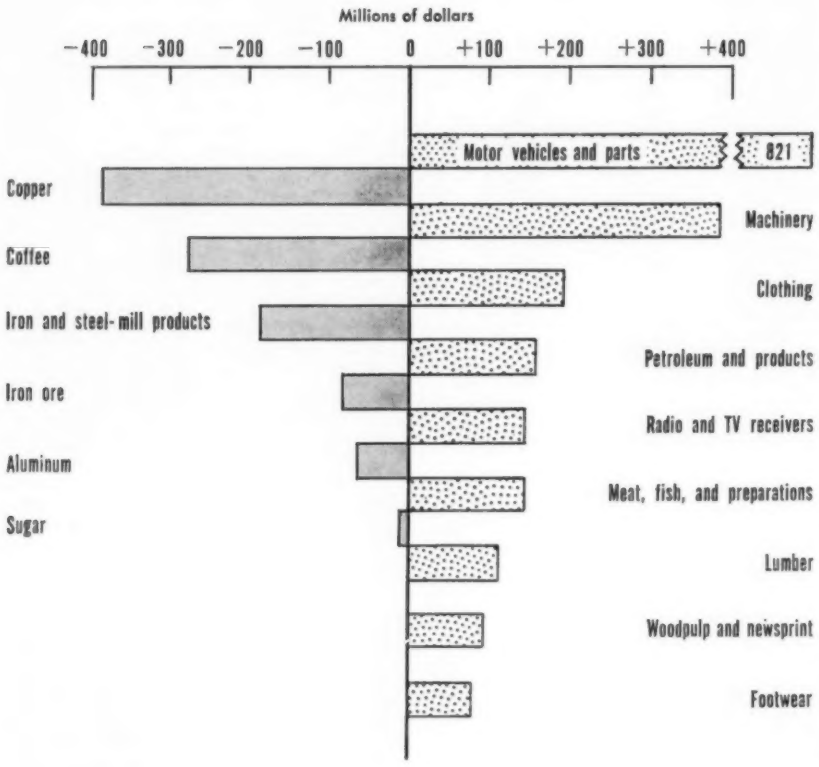
Consumer imports surge

Stimulated by strong increases in U.S. consumer spending, purchases of foreign consumer goods have again led the advance in imports. At a seasonally adjusted total of $8.2 billion, these arrivals exceeded the comparable 1968 level by 25% and were running 13% higher than in July-December. Even the dockstrike had little impact on the inflow; to some extent, this was due to the fact that a large portion of consumer goods imports comes from the Far East through West Coast ports. There was also a substantial diversion of cargo to air transportation during the dockstrike. Through the first nine months, imports of consumer goods, excluding U.S. model cars from Canada, accounted for 4.3% of U.S. consumer expenditures for goods, up from the 3.9% ratio recorded in 1968.

Playing the major role in the expansion of consumer goods imports this year were nonautomotive products. Deliveries of clothing rose as rapidly as last year, chiefly because of a continued heavy inflow from East Asia, Japan, and, to a lesser extent, Western Europe. Footwear purchases recorded another sharp advance, mostly in leather shoes from Spain and Italy. These imports now account for about one-fourth of new U.S. supply, up from less than one-sixth three years ago. The primary reason

Automotive products and machinery lead import increase; metals drop sharply

Change in U.S. imports from Jan.-Sept. 1968 to Jan.-Sept. 1969



for the steady growth in imports of both clothing and footwear continues to be the ability of foreign suppliers to offer good quality products attractively designed and priced.

Arrivals of radio and TV sets also continue to rise, mainly from Japan, Hong Kong, Taiwan, and Mexico. In the latter three countries, production for the U.S. market has been increasing in recent years, mainly through the efforts of American firms to take advantage of lower assembly costs there.

Arrivals of automobiles and parts from Canada posted another large increase but the rate of advance was more subdued than in 1968. These entries dipped slightly in January-March but moved ahead strongly in later months. The inflow of parts and accessories slowed substantially, due in part to the sluggish pace of U.S. automotive production. Arrivals of cars were bolstered by the importation of a new subcompact model, designed to compete in the small car market dominated by overseas suppliers.

Reflecting the relative weakness of U.S. auto demand and the high rate of inventory building last year, imports of foreign-make cars showed only a small increase from July-December 1968 levels. However, there was a significant shift among our major suppliers in favor of Japan. The six percentage point rise in Japan's share of the import value to 19.3% in 1968 was realized mostly at the expense of Germany whose portion slipped over eight points to 54.8%. Contributing to Germany's loss of share, in addition to lower sales of its own best seller, was the decision of a major U.S. manufacturer to shift some of its subsidiary operations—producing a small car for the American market—from Germany to Belgium.

U.S. demand for Japanese motorcycles experienced a strong resurgence after two years of sluggishness. These imports, coming predominantly from that country, exceeded the comparable 1968 period by two-fifths.

Growth in capital goods

Imports of capital equipment expanded vigorously, reaching a seasonally adjusted total of $2.9 billion in January-September. This was an advance of one-fifth over the comparable period of last year and a 12% rise from final half 1968 levels. Major factors behind this large increase were the buoyancy in U.S. business investment during the past year and the continued attraction of favorable foreign prices. Purchases of foreign capital goods (excluding trucks from Canada) accounted for 5% of U.S. expenditures for producers' durable equipment through September, compared with 4.8% in 1968.

Foreign machinery accounted for most of the growth in capital goods imports. These arrivals climbed by a fifth from a year ago. Substantial increases were recorded in purchases of office machines and parts, materials handling equipment, and telecommunications apparatus.

Also adding to the rise was a further advance in entries of trucks from U.S. subsidiaries in Canada. Strong demand for trucks in this country, coupled with a decline in domestic output because of strikes at several plants, contributed to the increase.

Industrial materials fall

At a seasonally adjusted total of $10.5 billion through September, imports of industrial materials were running moderately below 1968 levels. The decline was a consequence of a large drop in arrivals of copper and steel rather than a general fall-off in U.S. import demand.

Imports of copper metal fell substantially from the exceptionally high January-September 1968 total, which was swelled by heavy buying in the early months of last year under the impact of a long industry-wide work stoppage. Imports showed little change, however, from the more normal year-end levels. Increased domestic production and the absence of strike-related hedge buying this year caused a decline in aluminum imports.

The sharp decline in receipts of steel from 1968 levels—which were inflated by strike anticipatory purchases—can in large part be attributed to the agreement negotiated with Japanese and EEC producers late last year. These suppliers agreed to limit 1969 shipments to this country to 11.4 million short tons or 3 million tons below their 1968 total. Through Septem-

ber, steel arrivals from Japan have amounted to about 84% of that country's "allotment" for 1969. For the European Economic Community, the comparable ratio stood at 68%.

Following a one-fifth rise in 1968, purchases of industrial and agricultural chemicals rose only moderately. The slowdown was due to a deceleration in arrivals of plastic materials and colors, dyes, and stains, along with a reduction in entries of fertilizers.

Arrivals of lumber, mostly from Canada, were 28% above comparable levels of 1968, but by the third quarter these purchases had slowed considerably, due mostly to a downturn in construction activity here. Imports of crude petroleum were also substantially higher than a year ago, partly because of a sharply increased flow of oil from Canada. Entries of woodpulp climbed rapidly in response to greater demand at U.S. paper mills. Purchases of newsprint also rose but much of the advance was due to price increases. Hedge buying, prior to a strike in Canada beginning in early July, and rising prices sent the value of nickel imports to higher levels.

Imports of foods and beverages dropped from the comparable period a year ago as well as from final half 1968 levels. A substantial part of the decline was in coffee arrivals. Last year, U.S. coffee importers made a special effort to build up stocks to insure adequate supplies in the event of a dockstrike. Whisky imports also fell from high levels to which they jumped in 1968 for similar reasons. On the other hand, large increases were registered again in arrivals of meat and fish.

Prices rise more rapidly

U.S. export prices, as measured by the unit value index, rose in January-September by about 3% above the 1968 average. This rate of increase was considerably faster than those recorded in the last two years. The upward pressure resulted primarily from accelerated price increases for finished manufactures, which account for about two-thirds of the export total. Sizable advances were recorded in quotations for machinery, passenger cars, and clothing. A two-year downtrend in crude materials prices was reversed this year as a result of higher coal prices. No significant change was noted in food prices.

At 2%, the increase in import prices was also more rapid this year than last. Higher quotations were reported for all broad economic classes. Automobiles, clothing, radio and T.V. sets, and iron and steel products were among the items showing substantial price advances.

IDA approves first credit for Nepal

World Bank affiliate approves $1.7 million for telecommunications

The International Development Association has approved a credit of $1.7 million to Nepal for the expansion and modernization of telecommunications. This will be the first lending operation by the World Bank Group in Nepal.

Better telephone and telegraph services, both domestic and international, will facilitate government administration and the growth of industry and trade, and will encourage tourism which could become an important source of foreign exchange earnings, IDA said.

The installation of a modern telecommunications system was started in 1962 with the assistance of the United States Agency for International Development and later expanded with Nepalese Government funds and grants from the Government of India. Because of its mountainous terrain, which makes the development of surface and air communications difficult and costly, development of telecommunications is of more than usual importance to the economy, IDA noted.

Broad scope

Nepal's telecommunications program for the five years ending July 1973, which the IDA credit will help to finance, comprises the extension of telecommunications services to those parts of Nepal which have the greatest economic significance and where the need is most urgent, and which at the moment have limited or no facilities, IDA said. These include the Terai, a large fertile plain adjoining the border of India, and the Pokhra area in the center of Nepal. Additional services and improvements will also be provided at Kathmandu which is the biggest town, seat of Government, the main tourist attraction with its many cultural and historical monuments, and the main trade center of the midlands.

The principal items in the program are the expansion of telephone exchanges with 4,640 additional telephones and an associated distribution network with connections for 5,745 telephones; a long-distance trunk network to central, south and eastern Nepal; a new international trunk exchange at Kathmandu; land line and carrier international routes between Nepal and India; improvement of the high-frequency radio telephone system to New Delhi; and telex facilities at Kathmandu. Consultants will assist in the organization of the newly established Nepal Telecommunications Board, and the installation of a modern accounting system.

The total cost of the project is estimated at the equivalent of $4.15 million. The IDA credit will cover part of the foreign exchange costs. The remaining finance will be provided by the Government of Nepal, funds internally generated by the Board, and a grant from India.

Eximbank financing U.S. purchases for Thailand plant

The Export-Import Bank has authorized a $1,250,000 credit in favor of Goodyear (Thailand) Ltd., to help finance United States purchases of goods and services required for construction of a motor vehicle tire and tube plant near Bangkok. Total U.S. purchases will be some $2.5 million with $1,250,000 being financed by Manufacturers Hanover Trust Company of New York under Eximbank's guarantee.

Goodyear Tire & Rubber Company of Akron, Ohio, will design and supervise construction of the plant and will provide the equipment. This will be the third tire plant in Thailand to serve a rapidly expanding market. The plant will be on a 93-acre site and will have a rated capacity of 300,000 tires and 200,000 tubes per year, with full production capacity expected by mid-1970.

Eximbank's loan is to be repaid in five semiannual installments beginning in August 1973, with interest on outstanding balances at an annual rate of 6%.

Japan Air Lines Co. gets $29 million from Eximbank

The Export-Import Bank has authorized $29.8 million credit to Japan Air Lines Co., Ltd. (JAL), to assist in financing the purchase of eight DC-8-60 jet aircraft.

JAL, the official Japanese flag carrier, is 53% owned by the Government of Japan. The new aircraft will be used for expansion of the company's international services.

In addition to Eximbank participation, $29.5 million will be provided by a group of U.S. commercial banks, and a $6.6 million credit will be extended by McDonnell Douglas Corporation, the U.S. supplier.

The Eximbank portion of the loan is repayable in two schedules of seven approximately equal semiannual installments, the first beginning in February 1974, and the second in February 1975, with an annual interest rate of 6% on outstanding balances.

U.S. 3rd quarter payments balance: liquidity basis better, official basis worse, and both in deficit

Several unusual factors continued to influence U.S. international position; trade balance improved to a $340 million surplus

The two methods of computing the U.S. balance of payments showed contrasting trends during the third quarter: one got better and the other got worse. However, they both wound up in deficit.

Based on preliminary data, the U.S. balance of payments on the liquidity basis was in deficit by $2,530 million in the third quarter. While this was still very large by historical standards, it was a $1.3 billion improvement from the extraordinary $3,850 million deficit in the second quarter. The balance on the official reserve transactions basis, on the other hand, shifted to a deficit of $930 million in the third quarter from the $1,230 million surplus in the second quarter.

The Commerce Department's Office of Business Economics, which compiles the balance of payments statistics, observed that a number of unusual factors continued to influence our external position.

Changes in reverse assets

Both balances reflect changes in U.S. official reserve assets. The liquidity balance also takes into consideration the changes in liquid liabilities to all foreigners, while the official reserve transactions balance includes both liquid and certain nonliquid liabilities, but only to foreign governments and central banks.

The major factors accounting for the $1.3 billion improvement in the liquidity balance were:

► a $660 million swing in bank reported claims, from an increase in the second quarter—which brought a number of banks above their ceilings under the credit restraint program—to a decline in the third quarter;

► a $340 million improvement in the trade balance, as compared with the second quarter when imports had been inflated by shipments of strike-delayed goods and

► a $710 million improvement in the residual balance on transactions for which data are not now available, which may have been associated with reduced outflows of U.S. funds to the Euro-dollar market.

The major adverse shift was a $330 million increase in U.S. purchases of new foreign securities.

In spite of the favorable change in most of these accounts and in the liquidity balance, the balance on official reserve transactions deteriorated by $2.2 billion. In large part this was associated with a reduction of about $3.6 billion in the inflow of private liquid dollars from abroad, as U.S. banks sharply cut back borrowing Euro-dollars through their foreign branches. (For the official balance, increases in liquid dollar holdings by private foreigners count as capital inflows and favorably affect that balance. For the liquidity balance, however, such inflows are considered as financing the deficit, along with losses of reserves or increases in liquid dollar holdings of foreign official institutions.)

U.S. banks were discouraged from further Euro-dollar borrowing by a tightening of certain Federal Reserve regulations on reserve requirements applicable to such borrowings. At the same time, increased sales of commercial paper by bank holding companies provided an alternative domestic source of funds. These factors tended to reduce Euro-dollar rates from the peaks reached at the end of the second quarter, and may have contributed significantly to the apparent decline in roundabout flows of U.S. funds, to the Euro-dollar market and back through the branches, that enlarged the second quarter liquidity deficit.

Exchange market developments also contributed to the official deficit by attracting dollars to official reserves and thus working against a larger buildup of liquid dollar holdings by private foreigners. Expectations that the German mark would be revalued induced large conversions into marks both from dollars and other currencies, particularly in the latter part of the quarter, with a consequent buildup of Bundesbank holdings of dollars. While most of these funds subsequently left Germany, the outflow occurred after the end of the third quarter. Also, the devaluation of the French franc in early August tended to discourage further outflows from France.

In addition, as monetary policy in a number of European countries tightened, interest rates abroad rose relative to interest rates in both the United States and the Euro-dollar market, reducing the incentive to switch from foreign currencies to dollars.

Composition of balances

U.S. official reserve assets increased $686 million in the third quarter, a favorable factor in calculating both the liquidity balance and the balance on official reserve transactions. The rise consisted of an $11 million increase in official gold holdings; a $442 million increase in U.S. official holdings of convertible foreign currencies, reflecting net drawings by foreigners on mutual swap facilities with the United States; and a $233 million improvement in the U.S. gold tranche position at the IMF (essentially, our automatic drawing rights) as foreign countries drew dollars.

Liquid liabilities to all foreigners increased $3,574 million in the third quarter. This increase, less the $686 million in reserve assets, equaled the $2,888 million liquidity deficit (all figures before seasonal adjustment). Liquid liabilities to foreign commercial banks increased $1,519 million. Most of this increase was to foreign branches of U.S. banks. Liquid liabilities to foreign official agencies increased $2,238 million. Liquid liabilities to international and regional organizations rose $8 million and those to other foreigners declined $191 million.

The third quarter deficit of $1,040 million (not seasonally adjusted) on official reserve transactions consisted of the above-mentioned $2,238 million increase in liquid liabilities to official foreigners, partly offset by a $512 million decline in certain nonliquid liabilities to official foreigners and by the $686 million increase in U.S. reserve assets.

Special transactions

Special financial transactions adversely affected the liquidity balance by about $500 million net in the third quarter, about the same as in the second. Without these transactions the liquidity deficit, seasonally adjusted, would have been $2 billion in the third quarter and $3.3 billion in the second quarter. Prior to the second quarter these transactions had the statistical effect of improving the liquidity balance, mainly by switching U.S. liabilities from liquid to non-liquid categories.

Major special financial transactions in the third quarter included a reduction of $395 million in time deposits with a maturity of one year or more by foreign agencies; a redemption of $115 million of nonmarketable, medium-term securities by foreign official agencies; and a resale by Italy to the Export-Import Bank of foreign obligations previously purchased from the bank amounting to about $150 million.

The adverse effect of these transactions was partly offset by some portfolio adjustments by international and regional organizations, including the purchase of U.S. Government agency bonds and time deposits of over one year maturity.

Trade balance improves

The merchandise trade balance rose to a $340 million surplus, seasonally adjusted, in the third quarter from near zero in the second quarter. Exports totaled $9,570 million, only slightly below the $9,590 million in the second quarter. Imports declined sharply to $9,230 million, from $9,590 million in the second quarter. (These figures are on the balance of payments basis which excludes Department of Defense exports and imports and reflects several other adjustments in the data reported by the Census Bureau. The article on U.S. trade, January-September, which appears in this issue on pages 12-15, is based on Census figures.)

While the first quarter dock strike has seriously distorted recent trade figures, preliminary evidence suggests the third quarter trade balance would show a somewhat larger surplus than the second quarter after adjusting for the strike effect.

Second quarter imports had been inflated by shipments of goods delayed by the first quarter dock strike, and it was probably the disappearance of this influence rather than any change in domestic demand that caused the absolute decline in imports in the third quarter. The make-up of exports seems to have been slower than for imports, and some further make-up of exports may have occurred in the third quarter.

The overall impact of the dock strike on the merchandise trade balance—from the third quarter of 1968, when anticipations influenced trade, through the third quarter of 1969—is difficult to estimate precisely, but it was probably significantly more adverse than the impact of previous strikes.

After adjustment for effects of the dock strike, the third quarter growth in exports was larger than that in the preceding period and probably larger than the third quarter growth in imports, reflecting the continued rise in foreign economic activity and growing pressure on foreign capacity. The major part of the third quarter export rise was in nonagricultural products—especially automotive products shipped to Canada and machinery. Deliveries of completed civilian aircraft leveled off in the third quarter, as was to be expected in the interval before the next generation of jets is ready for foreign delivery.

The third quarter growth of imports, after strike adjustment, was probably slightly larger than in the second quarter as the U.S. economy continued to expand. Part of the rise was associated with accelerated imports of automobiles from Canada.

Bank reported claims, seasonally adjusted, declined $180 million in the third quarter following a $470 million increase in the second quarter. This swing reflected, to some extent, the influence of the credit restraint program. The unusually large increase in claims in the second quarter—associated partly with foreign borrowings for placement (or repayment of outstanding loans) in the high-yielding Euro-dollar market and to a lesser extent with the surge in exports—brought a number of banks up to, or over, their ceilings. This discouraged further outflows and encouraged the reduction in claims in the third quarter, which was concentrated in a reduction in bank loans.

U.S. participation increases

Net purchases of all foreign securities by U.S. residents rose $160 million to $580 million in the third quarter, seasonally adjusted. U.S. participation in new foreign issues increased $330 million above the depressed level of the second quarter to $550 million in the third quarter.

This increase was due primarily to renewed borrowing by Canadian provinces and oil companies, which accounted for 70% of the total in the third quarter. Similarly, the World Bank, which was virtually absent from the U.S. market in the second quarter, borrowed $50 million in the third.

Partly offsetting these increases, however, was a marked swing in trading in outstanding foreign securities, particularly stocks, as net purchases declined from an unusual $270 million in the second quarter to $110 million in the third quarter.

Net foreign purchases of U.S. securities excluding Treasury issues moved upward to $380 million in the third quarter from $330 million in the preceding quarter. Net purchases of U.S. stocks increased about $40 million to almost $170 million. Net sales in July were followed by net purchases in August and September, reversing the adverse trend in this account that had prevailed since early in the year.

Exchange market uncertainties early in August apparently contributed to the inflow. Easing of rates in the Euro-dollar market (an alternative investment) and expectations that the decline in U.S. stock prices may have bottomed out also could have been influential.

Foreign purchases of new U.S. corporate bond issues in foreign markets—Euro-bond issues—also rose, by about $70 million to $220 million in the third quarter. Larger borrowings through German mark issues accounted for most of the increase. Convertible issues were slightly down from the previous quarter. In contrast, foreign transactions in outstanding private bonds, excluding U.S. Government agency bonds, resulted in net sales by foreigners of $70 million in the third quarter, a large adverse shift from $100 million of net purchases in the second quarter.

International and regional organizations increased their holdings of U.S. Government agency bonds by $60 million in the third quarter, after sales of $40 million in the second quarter, as discussed above under special financial transactions.

Complete balance of payments data for the third quarter and further analysis will be published in the December *Survey of Current Business*, the monthly publication of the Office of Business Economics.

The *Survey* is available from Field Offices of the Department of Commerce, or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, at an annual subscription price of $9, including weekly supplements; single copy, $1.

Colombia gets $5 million to buy U.S. road equipment

The Export-Import Bank has announced the authorization of a $5 million loan to the Republic of Colombia to help finance the purchase of United States road maintenance equipment totalling some $10 million.

Continental Bank International and J. Henry Schroder Banking Corporation, both of New York City, will lend an additional $5 million to the borrower.

Selection of equipment for this program will be made by the Ministry of Public Works in Bogota, Colombia, the Colombian Government agency charged with building and maintaining public highways.

Eximbank's loan is to be repaid in eight semiannual installments beginning in December 1974, with interest on outstanding balances at an annual rate of 6 percent.

EDP MISSION IN LONDON plans how to meet crowded schedule of business appointments there and in Birmingham and Manchester. L. to r., Gulick, Easley, Martin, Needham, Gillies, Aldrich, Beaven.

EDP mission to United Kingdom finds industry growing rapidly, sees good prospects for U.S. sales

Specialized group estimates 12-month orders at $1.75 million, additional sales over three years at more than $10 million

The computer industry in the United Kingdom is vibrant and growing at a fantastic rate, a recent Commerce Department electronic data processing mission to that country reports.

Computer installations in Britain are expected to double from the present 3,000 plus within the next two years, the specialized mission points out. Because the market for data communications equipment, data transmission facilities and computer peripherals is governed by the digital computer markets, prospects in the United Kingdom for U.S. suppliers of such equipment and services should be attractive.

A specialized, or vertical, mission consists of experts within a narrow range of related products or services. The seven business members of the EDP mission that returned from the U.K. earlier this month estimated that as a direct result of their business contacts, sales of about $1.75 million will result during the next 12 months. Negotiations under way could lead to additional sales of equipment and services of more than $10 million over the next three years, the businessmen report.

With diverse groups

The EDP group talked with British manufacturers, financial institutions, service companies, software houses and government organizations in London, Birmingham and Manchester over a two-week period. Mission Director Roderick M. Gillies, Assistant Director of the Commerce Department's Office of Field Services, said:

"The members uniformly reported that they found good sales and business opportunities in the U.K. for data communications equipment and services.

"Although the number of American computer companies based in Britain is large," he added, "there are favorable opportunities for newcomers on the basis of competitive prices and constantly improving technical design."

The mission stressed that adequate servicing, availability of spare parts and other customer services are essential for a successful operation in the U.K. Marketing in the U.K. would most likely be successful through working with established equipment and software companies in the industry.

For new-to-market firms

American firms new to the U.K. market may find the following items of particular interest:

► No reductions are planned for tariffs affecting data communications equipment under the Kennedy Round GATT tariff reductions.

► Duty on computer equipment imported into the U.K. from the United States approximates 14%. For precise information, a check should be made with the European Division, BIC-888, U.S. Department of Commerce, Washington, D.C. 20230.

► The import deposit requirement, originally scheduled to terminate in December 1969, has been extended for one year. As of Dec. 5, 1969, the deposit is reduced from 50% of landed cost to 40%.

► Terminal equipment connecting up with Post Office lines of transmission, either private (licensed lines) or public network, must conform to precise conditions by the General Post Office (G.P.O.). As of October 1969, the G.P.O. ceased to be a government department and became a public corporation.

Individual assessments

Comments on the EDP market aspects of particular interest to each of the seven business members of the mission follow:

Arthur H. Beaven, National Cash Register Co., Dayton, Ohio:

There are a great many software houses in the U.K. and most of those with whom I had discussions employ between 15 and 20 programmers and analysts. Nearly all were interested in operations of a joint venture type, and all welcomed the idea of collaboration with U.S.-based firms.

In addition, I talked with officials of a number of larger software houses, employing from 100 to 200 programmers and analysts. These companies were firmly established in their own right and were not interested in joint ventures, but were

interested in various types of contract programming and 'body shop' operations.

Both types of company confirmed that the market for software in the U.K. is potentially vast and is expanding rapidly. This applies to all types of software, whether of the application or service type. One firm, starting four years ago with three people, now has a turnover of around £1.50 million (1£=$2.40) in contract programming and computer consultancy.

There is a positive attitude on the part of the software firms toward tackling their market and estimates of potential expenditure (see accompanying table) may well prove conservative in the final result.

Several firms are setting their sights on interests outside the U.K. and are interested in the European Economic Community countries and the United States as well as other parts of the world.

L. J. Brownsley, Peripherals General Inc., Cherry Hill, N.J.:

The disc storage drive (DSD) market has not yet reached its full potential in the U.K. but there is a growing awareness of its importance. The original equipment manufacturers' market is fairly limited. International Computers Ltd. (ICL) is being supplied with drives from DRICO, a subsidiary company. However, it appears there will be an active market for DSD's in telecommunications. A few British companies have the technical capability to develop systems of this type and they will want the replaceable disc systems as the active data memory.

The end-user market for IBM or ICL compatible equipment is indeterminate. Several British spokesmen stated that even if it appears that an independent DSD concern will provide good service and the project is just as reliable as the replaced item, this market will develop slowly and will require considerable cultivation. This is due in part to the present limited use of disc and the natural hesitancy on the part of the end-user to plan "foreign equipment" on their systems. The British end-user is tied closely to the central processing unit supplier.

As a result of this trip, Peripherals General has made several valuable contacts in Britain and also among the fellow mission members. The present DSD market in the U.K. is projected at about 35 to 50 million £ and could easily grow to 135 million £'s by the mid-70's.

Joseph H. Easley. Computer Data Systems, Inc., Silver Spring, Md.:

The prospect of future business with the U.K. is excellent and far above previous expectations. The business will be derived from the higher technological applications such as high-speed data communications and large data management systems.

The often quoted remark about the U.K. being two to three years behind the United States in computer technology is a myth. Certainly in some application areas the U.S. programmer has gained advantages over the British due to better communication transmission and data handling equipments. Skilled programmers can rapidly close any such gap, however, when better equipments are made available to them.

A specific example is the BOAC (British Overseas Airways Corporation) reservation system. It is one of the few airline reservation systems operating with the 'new generation' computing equipment. BOAC is, in fact, presently offering this system as a package to U.S. and other world airlines.

The average U.S. 'software' firm could not compete in the U.K. There are several U.K. 'software' and service organizations with skilled programmer personnel. The difference in monetary exchange rates and salary for comparable experience makes the U.S. firm non-competitive. The U.S. firm can compete effectively, however, by offering highly experienced system analysts and programming personnel 'to act as the systems designers.' These specialists can remain with the project during implementation by filling the project coordinator positions and training the U.K. programming staff.

Robert P. Gulick, Farrington Manufacturing Co., Springfield, Va.:

Participation in a specialized Trade Mission provides an excellent opportunity for small companies to sample foreign markets. The support and assistance of the U.S. Embassy enables personal contacts to be made in the country at the highest possible level.

The EDP market in the United Kingdom represents a large and rapidly expanding segment of the business world. The potential of this market is perhaps best illustrated by the rapidly growing number of American concerns entering this market.

In the area of computer input the market for optical character recognition (OCR) systems has doubled in the U.K. in the past 24 months, and the use of OCR by such organizations as the GIRO

U.K. data processing expenditures

1968 and projected 1970, 1980

Million dollars

	1968			1970			1980		
	By end users	*By services*	*Total*	*By end users*	*By services*	*Total*	*By end users*	*By services*	*Total*
Total, all expenditure	**960**	**65.5**	**1025.5**	**1536**	**101.8**	**1637.8**	**5040**	**1498.8**	**6538.8**
Computing and peripheral equipment (hardware)	300	24	324	454	26	480	1109	391	1500
Terminals	2.9	1.6	4.5	7.7	7.7	15.4	74	154	228
Data transmission	3.1	1.4	4.5	7.7	7.7	15.4	74	154	228
Supplies	96	5	101	139	5	144	350	82	432
Software (external)	5	—	5	15.4	—	15.4	302	—	302
Consulting	6	—	6	9.1	—	9.1	25.2	—	25.2
Service bureaus	48	—	48	92.2	—	92.2	1159	—	1159
Software (in-house)	290	19	309	461	34	495	888	480	1368
Operations	209	14	223	350	22	372	1057.2	238.8	1296

Source: Hoskyns Group (one of the major British-owned software houses)

Inter-Banking Computer Group, football pools, as well as a large number of gas and electric utilities, is providing additional stimulus to the market.

That the United Kingdom still leads the whole of Europe as No. 1 user of computers should leave little doubt as to the direction of the EDP market for goods and services.

Ronald O. Needham, Computer Sciences International S.A., Brussels, Belgium:

The purpose of the mission was one in which Computer Sciences Corporation (Falls Church, Va.) and C.S.I. were pleased to participate. Some very useful contacts were established. The opportunity of discussing mutual interests with other participants was extremely valuable. Certainly we would be interested in participating in any future missions.

Kenneth W. Martin, Scientific Data Systems, El Segundo, Calif.:

The interviews, arranged and provided by the mission to various U.K. establishments were helpful for both present and future business in our company.

In my opinion, the EDP market in the U.K. is a fertile field. Those U.S. companies desiring to do business in the U.K. must offer adequate service and maintenance facilities to their customers, to ensure continuing business in the country.

The seller cannot expect the same problems with a customer in the United States as he would in dealing with a customer that is 4,000 to 6,000 miles away from his home office. In addition, the U.S. manufacturer must take into consideration such difficulties as customs requirements, import deposits, purchase taxes, freight charges and insurance. Communication problems will be magnified and a strict liaison must be established with the home office and their U.K. branch offices.

U.S. manufacturers dealing primarily in the area of Government support programs—such as defense and medical and university projects—should be thoroughly familiar with the problem that such purchasers are likely to "Buy British" when suitable equipment is available from U.K. suppliers.

Elliot Aldrich, Cybermatics, Inc., Fort Lee, N.J.:

The specialized trade mission is an effective means for a company of our size to become exposed to a foreign market. We have gathered important marketing, financial and technical information so necessary in the development of a sound business plan. Most of the scheduled interviews were with potential business associates or clients. Basic agreement was reached to carry forward discussions in greater detail. These negotiations will lead to our establishing a base of operation in the United Kingdom.

The data processing industry in the U.K. will experience exceptional growth during the next five years. U.S. hardware manufacturers face formidable competition in the form of International Computers Ltd. This government-supported company will continue to improve its position in the market place.

The most recent entry of the General Post Office (GPO) into the ranks of the publicly held corporations should result in improved data communications facilities. With the exception of communications/computer software experience, all elements needed to develop on-line systems are in evidence. The computer manufacturer is attempting to provide this ingredient today. As the demand for real time systems increases, British businessmen will turn to the professional software firms.

During the trade mission, Cybermatics had the opportunity to hold detailed discussions with 13 companies. Those interviewed included software firms, management consultants, data centers, manufacturers and users. All had a keen awareness of the necessity to improve Britain's communications/computer systems capabilities.

Retail data collection, inventory and stock control, process control, banking and reservation systems are applications which they felt require the sophistication which today must be provided by U.S. technology.

Show in January

About 50 U.S. firms are expected to participate in the Data Communications Exhibition scheduled for Jan. 19-23 in London. Originally planned for the U.S. Trade Center there, the solo exhibition has been moved to the Bloomsbury Centre Hotel to accommodate the large number of participants.

North Carolina businessmen find markets in Australia, Far East

Group visits Sydney, Melbourne, Hong Kong, Taipei, Tokyo; members report direct sales, reverse investment prospects

By RONALD E. McCOWEN
Director, N.C. Trade Mission to Australia and the Far East

The continued success of North Carolina's International Trade Program was clearly evidenced during the recent North Carolina Agribusiness Trade Mission to Australia and the Far East. The participants returned enthusiastic about the market potentials they found.

The Mission visited Sydney, Melbourne, Hong Kong, Taipei, and Tokyo for a three-week schedule of talks with prospective customers, returning to the United States in mid-September.

Primary objectives included: Securing direct sales; appointing agents, distributors, and exclusive sales representatives; meeting potential licensees and joint venture partners, and discussing investment possibilities with emphasis upon reverse investment in the State, which organized the mission.

Two members were officials of the N.C. Department of Agriculture. Items of special interest to some firms on the mission were tobacco strip packers, brick handling equipment, agricultural machinery, soybeans and other grains, canned vegetables, chicken feathers, and poultry products. Upholstery fabrics, drapery fabrics, blankets, ladies' coating materials, carpet yarns, buffing and polishing wheels, buffing compounds, aircraft, aircraft parts and ground support equipment were among the products of other firms represented.

Direct sales, good prospects

About $400,000 worth of sales were reported. Based upon evaluations submitted by mission members, orders estimated at $1.1 million are expected during the next 12 months as a result of licensing and agency agreements executed during the mission members' business appointments in the five cities visited.

Investment possibilities, with emphasis upon reverse investment in North Carolina, were discussed throughout the business tour. Prospects for attracting capital from Australia, Hong Kong, and

Taiwan to establish plants and other facilities in the United States appear to be long range.

Japan presents a more immediate opportunity for accomplishment of reverse investment objectives. In Tokyo, a meeting was arranged with members of the Japan Economic Mission to the Southern United States, which visited the United States in April. The Japanese mission, led by Masao Anzai, president of Showa Denko K. K., was composed of 9 leading Japanese companies. Robert E. Leak, Administrator of the Division of Commerce and Industry, North Carolina Department of Conservation and Development, discussed the State's favorable business climate for investment. He emphasized that more than 40 foreign companies from 7 countries have established successful operations in North Carolina and expanded their facilities, and that his mission's visit was the State's first major effort to attract Far East investment.

As a result of this meeting and ensuing contacts, several large Japanese firms are considering the establishment of plants and other facilities in North Carolina.

NORTH CAROLINA DEPT. OF AGRICULTURE officials, members of State's recent agribusiness mission to Far East, view outdoor produce stand in Taipei. Mission also visited Sydney, Melbourne, Hong Kong, Tokyo.

MISSION MEMBER Adrian Shuford, of Jackson Buff Corp. in Conover, N.C., discusses licensing agreements with businessman at U.S. Trade Center, Tokyo. About $400,000 worth of immediate sales were reported during the three-week tour, and members estimate $1.1 million worth in the next 12 months.

Currently, the Japan Tobacco Monopoly maintains an office in Raleigh.

The real success of any trade mission is determined by personal contact with appropriate foreign businessmen together with proper follow-up. Measured by these standards, the agribusiness mission must be judged successful, an evaluation that will become even clearer in the months ahead.

Ranks tenth

North Carolina ranks 10th in the United States in annual dollar volume of exports valued at about $1 billion, and the Agribusiness Mission should enhance this position. The State is said to be the first to mount an overseas trade mission: in 1959, Luther Hodges, then Governor and later to be appointed Secretary of Commerce, led a trade and industry mission to Europe. Subsequent groups, under the Commerce Department's industry-organized Government-approved trade missions program, have gone to Europe (1966), Latin America (1967), and Canada (1969). Twenty-nine agents were appointed as a result of the '66 and '67 missions; this year's to Canada was a reverse investment study mission. The State also participated in the Pan American Multi Trade Mission to Australia last year.

Members of the agribusiness mission were: Albert Adams, Charlotte Aircraft Corp., Charlotte; A. B. Brannock, A. B. Brannock, Ltd., Raleigh; Eugene Carroll, Jr., N.C. Department of Agriculture, Raleigh; L. R. Clark, AMIES Corp., Wendell; F. B. Fishburne, Sr., Fishburne Equipment Co., Arden; James Graham, N.C. Department of Agriculture; A. J. Haynes, Farmers Cooperative Exchange, Inc., Raleigh; Robert Leak, N.C. Department of Conservation and Development, Raleigh; E. E. Lee, Jr., N.C. State Ports Authority, Wilmington; and Adrian Shuford, Jr., Jackson Buff Corp., Conover. Mission Director Ronald E. McCowen, author of this report, is Export Development Coordinator, Division of Commerce and Industry, North Carolina Department of Conservation and Development.

SOUTH CAROLINA MISSION in Paris was briefed by members of U.S. Embassy staff. Speaking, above, Minister for Economic Affairs, Robert Brand. Other stops were London, Brussels, Zurich, Frankfurt.

South Carolina mission sparks brisk interest by Europeans

Industrial development specialists promote investment in their State, report good prospects; return visit seen

Almost 200 industrial and banking executives in five European countries met with 15 industrial development specialists from the state of South Carolina during late September and early October.

The experts, members of South Carolina's first Reverse Investment Mission, explained the lucrative and growing southeast market of the United States to executives of European firms interested in expanding overseas.

Result: 17 European firms want immediate information on plant facility location in South Carolina, and of this number, executives of seven firms have scheduled personal visits in South Carolina during November and early December, according to mission member Alfred A. DeCicco, of the State's Development Board.

Highlight of the three-week business tour was the announcement by BASF of Ludwigshafen, Germany, of the company's plan to construct a $100 million chemical facility in Beaufort County, South Carolina.

Meetings fruitful

The industry-organized Government-approved mission spent two-and-a-half days in London meeting with executives in the metalworking, heavy machinery, chemical and electrical industries. This was followed by three days each in Brussels and Zurich, and four days each in Frankfurt and Paris. Mission members toured several plants along the itinerary.

"Our meetings were fruitful since we found a great interest in the southeastern market by the gentlemen who attended our meetings," said Governor Robert E. McNair, who accompanied the mission on part of its tour. "The major problem is that most European executives appeared timid in expanding overseas . . . This timidity was based on the fact that the executives felt that a small assembly or distribution facility would not be given proper interest by our people."

The Governor, to alleviate this belief, pointed to the small assembly facility of Sulzer Bros., of Winterthur, Switzerland. Sulzer started with seven employees four years ago, and now employs close to 100, he said.

Of the 27 foreign corporations with facilities in South Carolina, only eight started with a multi-million-dollar investment and large employment. The BASF announcement brings the total investment by foreign corporations in South Carolina to almost $500 million, State officials report.

Back to Europe

Because of the interest shown in the U.S. market, Governor McNair stated, South Carolina industrial development experts will be back in Europe in early spring. Efficient follow-up with European executives will begin immediately.

Lieutenant-Governor John C. West also accompanied the mission during a part of its itinerary. Other members were:

From the State Development Board, A. A. DeCicco, T. Allen Legare, Jr., J. D. Little, Jr., J. P. Throgmorton, and Carl B. Watson, Jr.; from the Committee for Technical Education, O. Stanley Smith, Jr., and A. Wade Martin; from the Ports Authority, Capers G. Barr, Jr., and W. W. Johnson; and from local chambers of commerce and development boards, B. B. Cole, Columbia, Gerald Dix, Sumter, W. W. Humphreys, Charleston, and Thomas L. Stapleton, Greenville; and from the South Carolina National Bank, John C. Hankinson.

New investment firms need prior approval in Norway

A Norwegian provisional decree of July 18 requires the permission of the King in Council to establish new investment companies in Norway. This regulation applies to both domestic and foreign firms planning to start new operations in Norway.

An investment company is defined under this provisional decree as any enterprise which solicits funds from any group of participants for the purpose of investing in securities, the object of such investment being to make a profit for the participants from the appreciation in the value of the securities or a yield from the securities in the form of dividends.

The Bank of Norway has also issued regulations governing trade in foreign securities. Under certain circumstances a license from the Bank of Norway is required.

Commerce official tells exporters expansion plan is top priority

Virginia's 21st trade conference learns of government-industry operational improvement programs and overseas potential

The Federal Government is handling the matter of export expansion as top priority, a high ranking U.S. Department of Commerce official told those attending the recent 21st Annual Virginia Conference on World Trade in Richmond.

Robert McClellan, Deputy Assistant Secretary of Commerce for Business Development, noted that in addition to policy matters receiving attention through the President's Cabinet Committee on Export Expansion, the Department of Commerce also has under way a number of operations improvements. (The Cabinet Committee, of which Secretary of Commerce Stans is Chairman, includes all of the agencies in the Executive Branch concerned with foreign trade, and Federal Reserve Board representation.)

"For some time the Department of Commerce has been concerned about the fact that an international businessman seeking help from his Government in Washington may have to deal with a variety of official or quasi-official agencies and then try to coordinate the total effort himself. To provide help in such circumstances, we have created an International Business Assistance Service," McClellan said.

"The purpose of the new unit will be to provide services to businessmen with a specific international business problem. By giving help on a case-by-case basis we hope to speed the solution of problems facing businessmen and to foster a closer working relationship between Government and business in the process.

"Closely related to this, we are finalizing plans to establish a working group that will specialize in assisting American companies to obtain major project contracts abroad. . . . I am convinced there is a need for Government assistance to companies for major projects," McClellan said. "We feel the American company should have one place in Government where assistance of these big jobs is immediately available in dealings with U.S. Government agencies in Washington, embassies abroad, foreign governments and United Nations agencies."

McClellan further noted, "to develop a better understanding of the export problems and opportunities for selected industries we have organized, under the umbrella of the National Export Expansion Council, a series of Industry Action Committees. The ones organized thus far are the Electrical Generating and Switch Gear Committee, the Engineering and Construction Services Committee, the Agribusiness Advisory Committee and the Commercial Aircraft Committee. We have been impressed by the input of these sources of industry knowledge and hope they will serve as a base for additional action in the future," he said.

"Still in the operations area, we are considering—in cooperation with the State Department—steps that might be taken to strengthen our foreign commercial services on behalf of the American businessman. We are anxious to improve both quality and quantity and to adopt more effective procedures of communication," McClellan said.

Another speaker, John J. Montag, vice president, Caterpillar Tractor Co., characterized American firms' over-all involvement in foreign trade as "dabbling in exports." Montag noted that the U.S. exports less than 5% of its gross national product compared to Japan's 10%, England's 13%, France's 14%, Germany's 18% and Belgium's 36%.

Montag told the Conference that a greater trade involvement on the part of U.S. manufacturers could help the country's currency and its balance of payments. "In the process you can sell more goods, level some of the economic dips and valleys, provide more employment, earn more profits and increase our nation's gross national product," he said.

Virginia Governor Mills E. Godwin, Jr., told the Conference he is convinced that the State's newest economic frontier lies across the sea. Two years ago the Governor led Virginia's first trade mission to Europe, and last May, another.

"There is great potential for Virginia products overseas," Godwin said. "In some countries there is equally impressive opportunity for foreign investment in production and assembly plants over here." He noted the recent announced plans of Brown-Bovari, Switzerland, and Imperial Chemical Industries, Ltd., a British firm, to construct multi-million dollar plants in Virginia.

Virginia's exporters speak

Several Virginia businessmen spoke to the Conference about their successful export ventures. R. E. Owens, vice president, Franklin Equipment Co., said his firm had entered the export business in 1966 with the sale of one of its vehicles abroad for $22,500, and by 1968 had increased its export business to $507,000.

Taylor Grizzard, president, Virginia Valley Processors, Inc., said his company now derives up to 10% of its business abroad. Jerome C. McCarthy, director, international coal and ore traffic, Norfolk and Western Railway Co., outlined the quantity of coal being shipped through the port of Hampton Roads, and asked that Congress approve a feasibility study on deepening the channel at Hampton Roads from the present 45 to 55 feet.

VIRGINIA TRADE CONFERENCE events opened with the arrival of a tractor trailer and container carrying Conference banner and theme: l. to r., F. J. Rudershausen, president, Virginia Laminating Co.; Virginia Governor Mills E. Godwin, Jr.; and Henry S. Holland, III, Conference Chairman.

President's export award goes to a Connecticut soft drink firm

Foreign licensing and franchise agreements plus advertising and market research make company's program successful

The President's "E" citation has been awarded to Mission of California, Inc. in New Haven for increased export sales of its soft drink syrups on a sustained basis during the 1966-68 period.

Foreign licensing and franchise agreements are the backbone of Mission's international marketing program. Total export sales are attributed solely to the sale of syrups for the manufacture of soft drinks to overseas bottling plants. These plants operate under a franchise agreement which gives them the right to bottle and sell one or more of Mission's internationally registered brand names such as Mission of California, Quiky and Clicquot Club (Klee-ko).

Mission's chief local competition overseas is from long-established franchised bottling operations principally handling colas which have added flavor lines within the past few years. It is internationally recognized that cola represents 60% of all soft drink sales, and based on this, Mission geared its efforts toward the remaining 40% which is flavors and mixers.

In four years, Mission has tripled the number of its overseas franchise outlets from six countries in 1965 to a total of 18 in 1968. Three more franchises will be added this year, according to Mission.

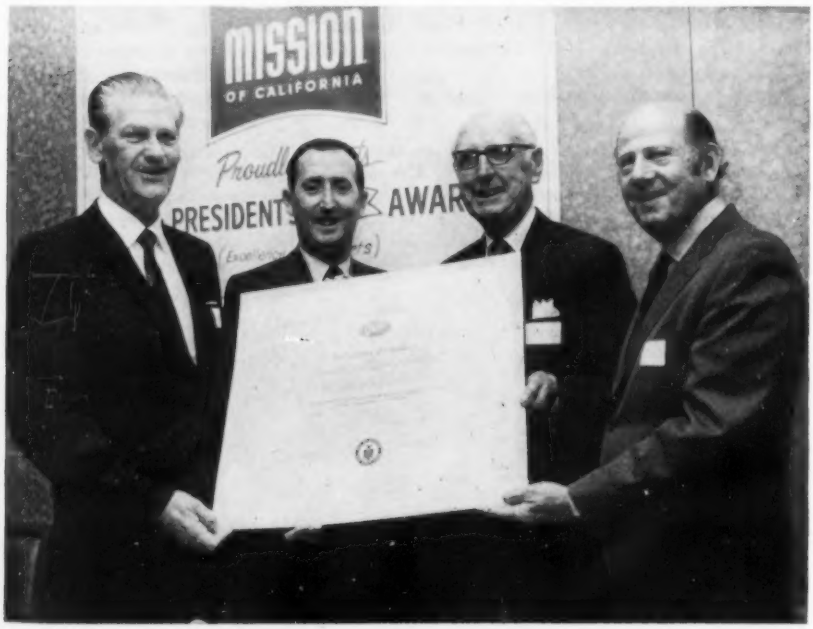
Outlets grow

In 1956, the company's overseas operations were solely in Canada, Mexico, Japan, Okinawa, Morocco and Angola. Since that time, franchised operations have been opened in Costa Rica, Aruba, the Philippines, Belgium, Italy, Malta, Nigeria, Senegal, Lebanon, Iraq, Bahrain and Saudi Arabia. Licensing agreements also exist in Canada, Mexico, Germany and Spain. New plants in Abidjan, Ivory Coast and Khartoum, Sudan were due to open in 1969.

One of Mission's interesting case histories is its operation with a franchised bottler in Dakar, Senegal. In 1967, the bottler chose three Mission flavors, intending to emphasize orange as the leader because it felt there was no room for another cola bottler. In addition to orange, the bottler also picked fruit punch and a new Mission flavor called Coco-Pina, a pineapple beverage flavored with a slight trace of coconut. Of the three flavors, however, Coco-Pina proved to be the most successful, and led to a major jump in sales during the first two years of operation, representing more than half of the business.

MISSION OF CALIFORNIA advertising soft drinks on television program in Lebanon. The firm produces ads for all overseas bottling operations.

PRINCIPALS AT THE "E" AWARD presentation of citation in New Haven, l. to r., John A. Sanders, president, Mission; Arthur J. Wallack, vice president, Mission; James E. Kelley, director, U.S. Department of Commerce Hartford Field Office; and John J. Cott, president, Cott Corp., parent company of Mission.



Sales soared

Sales of Coco-Pina in Senegal during 1967 amounted to 185,000 cases and soared to over 302,000 cases in 1968, and according to company officials, there is every indication when the bottler begins distribution of Coco-Pina to the interior of Senegal, sales should reach 750,000 cases within a two-year period.

Mission produces advertisements and advertising materials expressly for the overseas bottling operations. While the firm has not participated in any trade fairs, arrangements were recently made to utilize a sample display case available to U.S. manufacturers at the American Consulate in Hong Kong, and similar arrangements are planned for the American Consulate in Addis Ababa.

Mission of California is a subsidiary of Cott Corporation, a National Industries, Inc. company.

Opportunities in U.K. pulp, paper industry spur outlook for April Trade Center show

U.S. suppliers share $10 million slice of $24 million British market for pulp, paper machinery; equipment imports hit $100 million per year

The pressure for modernization in Britain's pulp and paper industry is spurring manufacturers to seek more efficient and profitable systems and equipment from the United States.

As a result, particularly good sales opportunities can be found in the United Kingdom for American makers of industrial process controls and instruments which constitute about 40% of imports by the British paper industry.

To assist U.S. manufacturers in capitalizing on these and other opportunities to export pulp and paper processing equipment, the U.S. Department of Commerce will stage its first major exhibition of products for the paper industries in Britain at the Trade Center in London Apr. 6-10.

The United Kingdom is unique in the pulp and paper industry, as it is the largest producer-consumer in Western Europe, and, at the same time, the world's largest importer of wood pulp. Spending for new equipment runs about $100 million a year while imports of pulp and paper machinery are estimated at $24 million annually, with $10 million coming from the U.S.

Market research by the Commerce Department's Bureau of International Commerce shows the following equipment having a high sales potential in Britain:

Computer control systems; air and water pollution control equipment; tissue finishing equipment; disc refiners; stainless steel pumps; cutter piler and allied finishing equipment, and burner controls and allied natural gas equipment.

Specialized items

Specialized equipment with limited demand includes infrared moisture measurement systems; drainage measurement and control apparatus; process viscometers; consistency regulators; deflakers; compact, inexpensive, intermediate web guiding systems, weight measurement and control systems; suction box covers; hydraulic cleaning equipment; roll feed equipment.

A broad market development campaign will be conducted to attract potential buyers, agents and distributors to the London exhibition. End-users of equipment to be displayed include 110 pulp, paper and board millers in the United Kingdom; 170 firms involved in paper conversion; 370 manufacturing cardboard cartons and paper boxes, and 170 making bags and sacks. Serving the industry are eight trade associations, 15 converters' associations and two associated research institutes.

Commerce Department overseas commercial exhibitions of equipment used in the pulp and paper industry—including such specialized items as industrial process controls and air and water pollution control equipment—have been highly successful.

A December 1967 exhibit at the U.S. Trade Center in Tokyo brought 12-month sales of $3.6 million for 23 U.S. manufacturers of papermaking, converting and bookbinding machinery and equipment. An exhibition of pulp, paper and converting machinery at the U.S. Trade Center in Stockholm in March netted floor sales of $759,000 for 32 exhibitors, who predicted total sales of $2.4 million in a year.

In May 1968, U.S. makers of computers used in industrial process controls shared in floor sales of more than $1.3 million at a Commerce Department display at the International Instruments, Electronics, and Automation Exhibition in London. Exhibitors in the Commerce show made additional sales of $2.9 million within 12 months and appointed 28 agents.

The Commerce Department's PURAQUA exhibition in Rome in February 1969 displayed water pollution control, desalination and sewage treatment equipment. Show visitors came from 37 countries. The 56 exhibitors predicted $31.8 million in 12-month sales. Participating firms signed eight agency agreements during the show and are negotiating over a hundred more.

U.S. manufacturers of equipment for the pulp and paper industry who are interested in the Commerce Department exhibition at the U.S. Trade Center in London Apr. 6-10, may obtain an exhibitors export market guide IMIS 69-80 and further information from the U.S. Department of Commerce (BIC-942), Washington, D.C. 20230 (202-967-4461) or from any of the Department's Field Offices.

Italian gift, travel show open for U.S. participation

U.S. manufacturers are invited to exhibit in the First International Novelty Gift and World Travel Holiday Fair at the international fair grounds in Genoa, Italy. The show is scheduled for Mar. 18-30, 1970.

The exhibition will feature two sections, one devoted to gift articles and the other to travel and vacations. Goods eligible for display under the gift section include televisions, radios and paper articles. Transportation and travel firms and companies manufacturing trailers, skis, skin diving equipment, boating, fishing, golf and automotive equipment, and photographic supplies may find participation valuable.

For further information on how to exhibit or attend the trade fair, **write:** Genoa Fair, Piazzale J. F. Kennedy, Genoa, Italy.

Copenhagen chosen as 1971 site for KEM-TEX II

An international exhibition of equipment for the chemical process industries, KEM-TEK II, will take place Nov. 1-5, 1971, in Copenhagen's Bella Center.

Held last in 1968, the exhibition will feature equipment plus modern know-how, and will include a special show concentrating on environmental engineering —air and water pollution—providing solutions, methods of solving and equipment to overcome pollution problems.

KEM-TEK II will feature the following product areas: apparatus for chemical operations; suppliers, institutes, consultants and engineers of complete chemical plants; pumps and fans; heating and cooling equipment; measuring, control and laboratory equipment; anti-corrosion materials and raw materials.

From Nov. 2-4, the International Chemical Engineering Congress will be held. The Chemical Engineering Societies of Denmark, Sweden, Norway and Finland will organize the event around the theme of developments in the chemical industry with emphasis on pollution problems.

American firms interested in KEM-TEK II should contact: Secretariat for KEM-TEK II, Bella Center, Hvidkildevej 64, DK-2400, Copenhagen NV, Denmark.

Exhibition at Scandinavian Trade Center will offer electronics production equipment

Test, measuring devices appear to have most export potential; Sweden imported $9 million worth of semiconductors in 1968

Scandinavia offers U.S. producers of electronics production equipment a market comprised of more than 500 manufacturers who currently make $600 million worth of electronic equipment and components annually.

To aid American producers in showing their products to prospective Scandinavian buyers, the U.S. Department of Commerce will sponsor an exhibition of electronics production, assembly and test equipment and materials at the U.S. Trade Center in Stockholm, Mar. 11-17.

Staged by the Department's Bureau of International Commerce, the exhibition will feature printed circuits, semiconductors, and semiconductor circuit production equipment; advanced equipment for manufacturing capacitors, resistors and relays; advanced assembly equipment, and electronic test and measuring equipment.

At present the greatest potential for U.S. sales to Scandinavian electronics manufacturers appears to be in the area of electronic test and measuring instruments. More than $3 million worth of American instruments were imported in 1968.

In addition, relatively high labor costs in Scandinavia indicate that the Nordic countries will be a good market for advanced assembly equipment.

Sweden is the prime Scandinavian market for electronics production equipment and materials. The Swedish Government is reportedly concerned about a gap in production of transistors and semiconductors. Last year, while Swedish production of semiconductors doubled to approximately $3 million, imports reached a new high of $9 million.

Commerce market studies indicate that the following have high sales potential in Scandinavia:

► Test and measuring equipment—sensitive flow meters; digital capacitance meters and digital ohmmeters more accurate than 0.1 percent; pyrometers; recorders (galvanometer and potentiometer types); surface analyzers; micrometers (manual and electronic); film thickness, diode, crystal, and transistor testers; vibration test equipment; arrival control instruments.

► Advanced assembly equipment—soldering and welding machines; fluxes; component mounting and marking machines; stripping machines.

► Printed circuit production equipment—electroplating and electroless plating euipment; etching equipment; silk-screen printing machines; chemicals; epoxy glass fiber laminates.

► Semiconductor production equipment—for hybrid integrated circuits; for semiconductor components, including precision-welding and ultra-sonic welding machines; doping and diffusion furnaces; scribing machines.

► Semiconductor circuit production equipment—welding machines; electroplating equipment; photolithographic equipment; silk-screen printing machines; component insertion machines; film deposition equipment.

► Advanced equipment—for manufacturing capacitors, resistors and relays.

Commerce Department overseas exhibitions of electronics production equipment have produced successful sales. The U.S. Trade Center in Frankfurt was the scene of a January 1966 show of electronics production and packaging equipment which brought floor sales of $585,000 and one-year sales of $5.3 million to 43 exhibitors. Twenty exhibitors were new-to-market. As a direct result of the show, exhibitors appointed 27 agents and distributors.

In November of last year, Commerce sponsored a U.S. exhibition of production equipment for the electronics industry at the ELECTRONICA trade fair in Munich. Forty-seven participants made immediate sales of $394,000. They predict additional 12-month sales of $2 million.

Floor sales at the U.S. pavilion of the Osaka, Japan, electronics production equipment exhibition in October 1969, came to $1.6 million. The 39 exhibitors predict orders totaling $10.1 million more by November 1970.

U.S. Manufacturers of electronics production, assembly and test equipment interested in the Commerce Department exhibition at the U.S. Trade Center in Stockholm, Mar. 11-17, may obtain an Exhibition Export Market Guide IMIS 69-89 prepared for this exhibition and further participation information from the U.S. Department of Commerce (BIC-946), Washington, D.C. 20230 (202-967-4421) or from any of the Department's Field Offices.

Agriculture plans first Middle East food shows in Kuwait, Saudi Arabia

The first Department of Agriculture overseas food promotions in the Middle East will be held next spring. The shows will be staged from Mar. 29-Apr. 1 in Kuwait and from Apr. 5-8 in Jeddah, Saudi Arabia.

The food shows will include displays and demonstrations of U.S. grown or processed foodstuffs which may be canned, frozen, dried or glasspacked, domestic, specialty or gourmet, or in institutional or industrial packs.

Both of these nations rely heavily on imports to meet domestic food requirements. Of Saudi Arabia's $491.6 million in imports of food for 1968, the U.S. supplied 23.5% of the total.

For further information on this show, interested American companies should contact the Agriculture Department before December 1.

Write: International Trade Fairs Division, Foreign Agricultural Service, 2305 Auditor's Building, U.S. Department of Agriculture, Washington, D.C. 20250.

French agricultural fair will be staged in spring

The 41st annual International Agricultural Machinery Exhibition will be held in Paris, Mar. 10-15, 1970.

The show is divided into three sections: garden and light farm equipment such as lawn mowers, sprinklers and power saws; agricultural machinery such as tractors and combines; and grain storage and animal feeding equipment.

During the Mar. 4-9, 1969 show, 1,137 exhibitors participated in the show, including 82 American firms; 22 countries were represented. This is one of the largest agricultural shows in Europe and the largest in France.

Major product categories in the last show included forestry equipment, dairy machinery, bags and bagging devices, irrigation equipment, fruit and vegetable harvesters and fertilizers. Of the 652,000 visitors at the fair, more than 80% were estimated as trade representatives, including both dealers and farmers from many European nations.

For further information on this event, contact Salon International de la Machine Agricole, 95 rue Saint-Lazare, Paris 9, France, or the American representative Mr. Cerisoles, French Trade Shows, 1350 Avenue of the Americas, New York, N.Y. 10019.

Trade sparks Singapore

Expansion of industry, largely with U.S. machinery, makes import market more complex

Singapore's entrepot trade, the traditional mainspring of its economy, has continued to increase. Part of the increase in export value can be attributed to higher prices of rubber, a major item in entrepot trade, but the volume is also growing according to the Economic Trends Report from the U.S. Embassy. If the rate of increase continues for the rest of the year, Singapore's total trade should be close to $4 billion for 1969.

Exports to the United States are now running slightly ahead of imports as exports of crude rubber to the United States during the first seven months of 1969 were almost equal to those for all of 1968. Part of the increase in value of both imports and exports can also be attributed to the electronic equipment now being assembled in Singapore by American firms and shipped back to the United States. Partly, at least, due to the influx of these firms, the United States became Singapore's chief supplier of industrial machinery during 1969, with $16.5 million worth shipped in the first six months as contrasted with $17 million for all of 1968.

The downward trend of the past few years in trade with Malaysia has at least temporarily been checked, and both exports and imports show an increase in value. The rise in import values is believed to be not entirely due to increased rubber prices, and there has also been a slight increase in exports. However, new Malaysian import duties on selected items, which went into effect in September, may once again bring about a decrease in the value of Singapore's exports to Malaysia.

No official statistics are yet available on trade between Singapore and Indonesia, but from the Embassy's own calculations there is good evidence to show that trade between the two countries is increasing rapidly. By keeping a running account of rubber imports and exports and estimating the value of other goods shipped to and from Indonesia, the U.S. Embassy believes that imports have increased in value by about 45% and exports by about 30%.

As with Malaysia, much but not all of the rise in import value can be attributed to increased prices for rubber. Some of the expansion in exports is due to Singapore's new role as a supply base for much of the off-and-on shore oil exploration currently in progress in Indonesia.

Imports from Japan have made a big jump over 1968, and exports to Japan have also risen, making Japan Singapore's third largest trading partner. The trade imbalance between the two countries has widened, with Singapore's importation of Japanese goods now exceeding its exports to Japan by an amount exceeding $10 million per month.

Although imports from Mainland China have dropped slightly, it still remains one of the main sources of Singapore's consumer goods. Communist China has again entered the rubber market, and Singapore's exports to that country are running well ahead of the volume of goods shipped there last year.

Changing market needs

The emergence of Singapore as a major shipbuilding and ship repair center and the broadening of its industrial base are making the local market more complex. Special metal products and more complicated machinery are being introduced. The continued growth of the oil-catering industry has created demands for new products that were not seen in Singapore before. U.S. firms manufacturing specialty steel pipe, complicated industrial machinery, electronic measuring equipment and other high quality industrial capital equipment could well find a market in Singapore that previously did not exist.

Luxury skyscraper hotels, which are beginning to change the architectural profile of Singapore, have created a demand for hotel and restaurant equipment which might be filled by American suppliers of hotel furnishings, bar equipment, boilers, refrigeration equipment, electrical installations and swimming pools. American food product lines could also be in demand by the increasing number of tourists expected to fill the several thousand new hotel rooms which are to be completed over the next few years.

American service stores such as laundromats and drive-ins are still relatively unknown in Singapore and American-style franchise operations are few. Since Singapore has an increasingly mobile population—there are now about 130,000 automobiles on the island—drive-ins and other self-service facilities could become very popular. American franchisers should take a look at Singapore as a possible site for future expansion overseas.

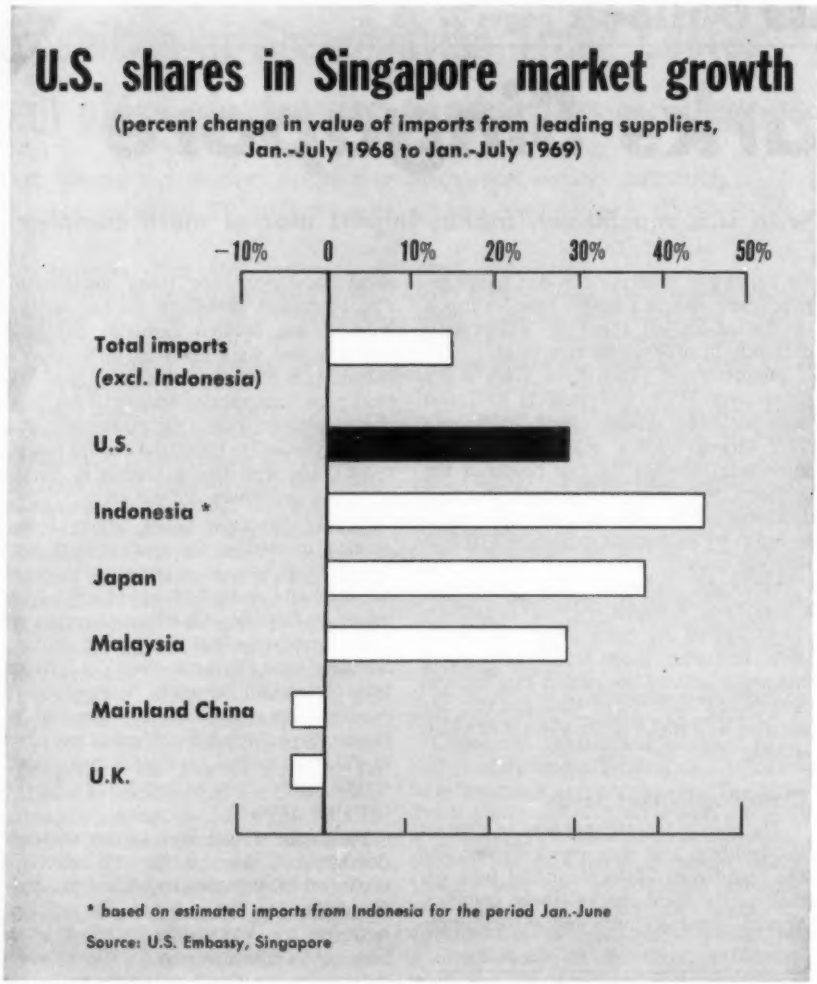
Although the majority of Singapore's population is ethnically Chinese, and traditional Chinese goods and services are still preferred, a growing percentage of the population combines Western and Chinese tastes. Supermarkets attract more and more local shoppers, and frozen foods vie with rice and Chinese noodles for a place in many shopping baskets.

Mass communications media are acquainting Singapore's young population with a wide variety of international goods and services, and the rise in per capita income also is developing a demand for higher quality and more diverse consumer goods. New products from the United States could take advantage of changes in taste. Space-age and educational toys, deep freezers, other home electrical appliances, sports clothing, and equipment,

New generation's tastes

Stressing the importance of scientific, technical and vocational training, the Singapore Government is propelling Singapore youth into the space-age. As these youngsters will probably be marrying later and having fewer children than their parents, will have higher paying jobs, and better housing, and will be exposed to worldwide advertising media offering sophisticated product lines, American manufacturers should look at Singapore as a potential market place for their new products.

Also, as the surrounding area becomes more prosperous, Singapore's potential as a regional distribution center should become even more attractive to American firms trying to expand markets in Southeast Asia.



labor-saving devices and foodstuffs, and American gadgets should find a more ready acceptance on the local market.

Of particular concern to American businessmen moving into Singapore has been the rapid rise of rents for executive-type housing. Three years ago monthly rentals of $400-$500 were virtually unknown; today it is almost impossible to rent a three or four-bedroom house for under $600 or apartment for under $400 per month. As more British servicemen leave, there should be an ample supply of lower middle-income housing, but the demand for luxury housing shows no sign of abating, and local developers are not building enough housing in this category to meet the demand.

In September the Government-controlled trading company, INTRACO, announced that it was setting up offices in Moscow and other foreign capitals. During the same month the Development Bank of Singapore (DBS) released its plans for a 50-story office building, and the Finance Minister stated that a Central Bank would probably eventually be established in Singapore.

These announcements point up the increasing role of the Government in all phases of the Republic's economic and commercial activity, from equity shareholding by the DBS in individual concerns to wholly-owned Government concerns competing with private firms. As an example of the latter, Neptune Orient Lines, the Government's shipping line, went into operation during this past summer.

The Government also participates in a number of joint ventures, one of the largest of which, with a Japanese firm, will be a new shipyard to build Freedom type ships. Besides being a partner in the Jurong Shipyard Ltd., the Singapore Government also owns two other shipbuilding and ship repair yards. Several new ventures have been established by the DBS during its year of existence, including a realty company and an insurance company.

In addition to its holdings in Malaysia-Singapore Airlines, the Government has a substantial interest in Singapore Air Services, and is organizing a new air cargo company. The Government has also set up the Singapore Aerospace Manufacturing and Engineering Co., whose object is to manufacture and repair aircraft, utilizing facilities to be vacated by the British Air Force.

Through concerns such as these, the Government now participates in many facets of Singapore's commercial life. Its activity may be limited in certain instances to having a Government official on the board of directors of a firm in which the Development Bank has equity interest, or to which it has loaned a substantial amount of funds.

In other cases, such as its shipping line and shipyards, the Government is in direct competition with private firms. This trend in Government commercial activity will undoubtedly increase as the British forces leave and more facilities are turned over to the Singapore Government.

Industrial expansion

The most dramatic growth of any of the new industries in Singapore is electronics manufacture and assembly. Eighteen firms, the majority of which are or will be engaged in the manufacture of semi-conductors and printed circuits, have now been registered in Singapore and an additional four or five are in the pipeline. The industry is largely dominated by eight American firms, which employ about 80% of the present 4,000 workers. Optimistic projections for the industry envisage 20,000 job opportunities developing over the next few years.

With wage rates relatively constant, an English speaking and highly-trainable work force, the development of a disciplined and trained cadre who are leaving the Singapore armed forces and entering the job market, and the comparative ease of finding college graduates in the area, Singapore remains an attractive location for other electronics firms setting up operations in Asia.

In the fast growing petroleum industry work is rapidly progressing on the 90,000-barrel Esso refinery complex on Ayer Chawan Island, and Shell is building a hydrocarbon solvents plant adjacent to its refinery on Pulau Bukom. British Petroleum has announced a $3.3 million expansion plan for its Pasir Panjang refinery, and there are indications that one additional refinery will be authorized.

Singapore's shipyards are enjoying an

unprecedented backlog of orders for shipbuilding and repair. Existing shipyards are being expanded and several new yards are planned. Jurong Shipyard has opened its second drydock for accommodating ships in the 100,000-ton range, the largest drydock south of Japan and east of Suez.

Other shipyards also busy

Other shipyards in Singapore are busy building and repairing coastal ships, building barges and other seagoing vessels for oil companies in the area, repairing geophysical survey vessels, constructing pleasure craft for the American market, and building floating piers, pontoons, work boats and tugs. Sembawang Shipyard, the former British Naval Dockyard, is rapidly increasing its commercial ship repair business, and a new drydock capable of handling tankers of 400,000 tons is scheduled to be fully operative in mid-1972.

Shipping circles claim that 15 new shipyards will be built in Singapore in the near future.

The search for oil and minerals in the Southeast Asian seas, in addition to promoting the growth of Singapore's shipbuilding and ship repair services, is also benefiting secondary industries in Singapore. Steel fabricators are prospering, Singapore construction firms are building prefabricated housing for shipment abroad, and Singapore merchants are selling supplies and services of all types to the oil firms. The continued economic stabilization of Indonesia is creating markets for Singapore's goods and services, and Singapore's investors are proceeding with plans to invest in Indonesia.

Fishing is another developing industry which is dependent on the surrounding area. Singapore and Thailand share sites for the Southeast Asian Fisheries Development Center, and the Government, with the assistance of the United Nations Development Program (UNDP), is training commercial fishermen. Singapore hopes to establish itself as a major fish processing center in the area. Tuna and shrimp are now being brought here in fairly significant quantities for canning and packaging.

The tourists are coming

Three new hotels with a total of 785 rooms have opened during the past six months and eighteen more are in various states of construction, of which two or three are expected to be ready for occupancy in early 1970. Large international hotel chains such as Hilton, Holiday Inns, Sheraton, Intercontinental and Western International are participating in Singapore's burgeoning hotel development with a view to the expected large increase in tourists to this area in the decade of the 1970's.

Although Americans still are coming in the greatest numbers, the Japanese show the greatest percentage increase (33% over the corresponding period in 1968). The main cloud on the tourist hotel picture, according to some observers, is an overbuilding of medium-class hotels by local developers who may be expecting to charge first-class prices.

The Singapore Government is increasing its tourist promotion activities and is itself constructing or planning several tourist facilities on the island, including parks, an outdoor aviary, a marineland, observation towers and a sports complex. Singapore is also encouraging regional tourist development, and in September the Government announced that it had reached agreement with the Dillingham Corp. of Hawaii to develop new hotels on Bali; Intraco and a local hotel group are also taking part in the project.

To meet the demand for a speedier supply of labor for new industries in Singapore, the Ministry of Labor is currently revamping its Employment Exchange Services. All former registrants for employment have been instructed to re-register in order that the Ministry can have an accurate count of persons actively seeking work.

Labor pool for industry

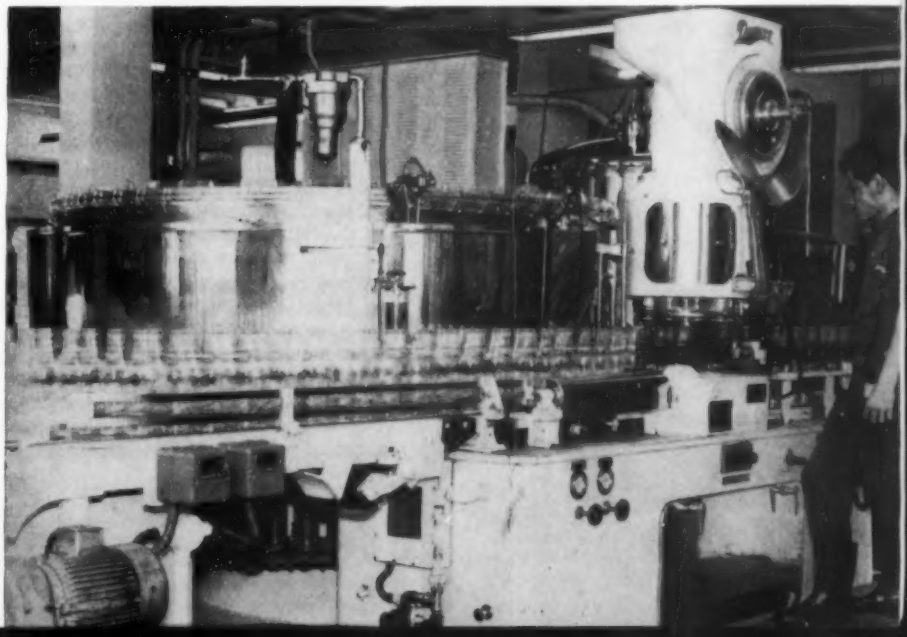
Starting from a relatively small industrial base with most of its labor force in merchandising and service industries, Singapore has had to develop rapidly a pool of industrial workers. In order to meet the demands for industrialization the Government has operated on several levels at the same time: attracting new industries to provide job opportunities, creating new training centers, recruiting workers for the new factories, upgrading existing skills, and promoting interest in blue-collar jobs among young people.

Although most Singaporeans living in the heart of the city and seeing the changing skyline wouldn't think so, there has reportedly been a decline in building and construction activity. Building starts in the first half of 1969 showed a decline in terms of number of units, floor area and total value, with the biggest drop in the public sector. Although no exact figures are available, some architects say that construction costs have risen 15% in the past year and that there is a shortage of skilled construction workers.

New plants opening

New factories which have been officially opened during the past few months include Singapore's first vertically integrated textile mill, and factories producing watch cases, ceramic ware, shoes, garments, cosmetics, soya bean oil, carpets, fancy foods, veneer and plywood, printing inks, dyestuffs, pewterware, toys and chain. Among the many new plants going up in various industrial estates are factories to produce paint, furniture, umbrellas, various wood products, office equipment, electrical appliances, ship-gear, light gauge steel, silk, cosmetics, wearing apparel and plastics. Singapore now has about 130 plastic goods factories alone.

A BOTTLING PLANT WORKMAN oversees the filling and capping of Dad's Root Beer, franchised by a Chicago firm. A growing percentage of the population combines Western and Chinese tastes.



Malaysia grows steadily

Good export showing, led by rubber, tin and timber, spurs strong economic advance

Output in Malaysia continues to advance under the impetus of strong export performance and rising government expenditures. The semi-annual Economic Trends Report from the U.S. Embassy in Kuala Lumpur states that the nation's productive facilities were undamaged by the racial violence that broke out last May, and the pause in production and movement of goods resulting directly from the disturbances was speedily resolved.

Malaysia's small (10 million population) but relatively affluent market presents good prospects to most exporters, but those in lines that can be duplicated locally will be confronted with future tariff barriers to protect domestic production.

While the British began with a heavy advantage in this former colony, they provide a dwindling share of the market. Japan's steadily increasing share is associated with attractive prices, appealing credit terms, and rapid delivery schedules.

American products are well regarded but in many cases too expensive for local pocketbooks. Total cost bids can be a helpful sales approach for high-quality American heavy equipment. Some U.S. types of machinery and equipment are supplied at competitive prices and terms by licensees operating in Japan or Australia.

It is quite clear that private investment will be even more aggressively sought by Malaysia in the period just ahead. It is believed that American technical and management services can be valuable in several fields.

THE LEE YAN LIAN BUILDING, which houses commercial offices, is one of the landmarks of Kuala Lumpur. Also being built are luxury hotels, creating demand for hotel and restaurant equipment.

Opportunities in marketing

Efficient agricultural marketing is among Malaysia's most pressing needs. The introduction of new crops and rapid expansion of old ones are creating opportunities for firms with agricultural processing and marketing know-how.

The establishment of tapioca, for example, might be accelerated by better processing facilities and improved access to foreign markets. Returns on timber sales associated with the giant Jengka Triangle agricultural development scheme have been greatly enhanced by marketing arrangements provided by an experienced Canadian firm. The rapid introduction of new rice cultivation techniques will demand milling, drying, and storage facilities. It is believed that foreign firms with international marketing connections would be able to promote diversification in a way that domestic investors cannot easily do.

Techniques of agricultural development now being adopted point toward demand for mechanical cultivators and planting equipment. The timber industry provides a steady market for heavy equipment. On the other hand, the demand for earth-moving equipment arising from government civil engineering projects may recede, because in the current employment situation the Government of Malaysia is exploring ways of switching from capital-intensive to labor-intensive construction methods. The Government shows interest in domestic assembly of such equipment, and the future market may go to the supplier who takes up this option.

Wood processing and tourist facilities are other investment possibilities. The Government of Malaysia is aware that large amounts of income are now being foregone by timber exports in the form of logs. Investment is therefore sought in sawmills and factories for plywood, prefabricated building components, furniture, veneers and other wood products.

Malaysia's principal exports, rubber, tin and timber, continue to show excellent short-run prospects. Rubber production increased at an annual rate of 4.3% in the years 1958-1968 and is expected to make faster progress in the near future as acreage planted with new higher-yielding materials comes into production and smallholders respond to improved prices. Currently the local price is approximately 25 cents a pound, as compared with the planning assumption of 18 cents in the 1969 budget. Tin exports and prices have been stabilized at their current remunerative level through controls imposed in the International Tin Council, and timber prices and output show favorable prospects over the next few years. These commodities accounted for 70% of export receipts in 1968 and their continuing strength is a significant asset.

Investment by state and federal authorities in 1969 was projected to exceed that of 1968 by 18%. There is no assurance that public investment is keeping pace with that expectation, but it does appear that recurrent federal expenditures will be increased by the substantial additional security requirements arising from the May disturbances.

Indications of this are the announced formation of four new infantry battalions, approximately a 20% increase in manpower, at a cost placed by one published source at about $3.3 million each in the first year and $2 million a year each thereafter, and an increase in the paramilitary Police Field Force from 5 to 13 battalions.

Workers produce more

Malaysia's healthy rate of growth (gross national product increased at an average of 5% annually in the years 1965-68) has apparently been achieved in large part through productivity increases without reducing unemployment. A 1967 sample survey found 8.8% of the West Malaysia work force unemployed with significantly higher rates among city dwellers and the young.

While by no means high by developing country standards, these levels were early recognized as a potential source of social unrest, and were held largely responsible for the disturbances that broke out in May. This tragedy shook the confidence

Growth factors

The two principal continuing elements in Malaysia's vigorous economic expansion are strong export performance and an active public sector. GNP valued at market prices grew by 5% in 1968; the export sector accounted for 44% of GNP and government expenditure for 25%.

The scattered indications available for the first half of 1969 are that these important elements are continuing to expand. Preliminary trade figures show export earnings of $747.7 million for the first six months of 1969 as compared with $623.4 million in the corresponding period of 1968.

of policy makers in the existing strategy for combating unemployment and prompted a search for crash remedies. In the ensuing period public attention has been directed to promotion of investment in manufacturing, particularly in the rural areas.

New economic policy

Soon after the suspension of parliamentary government in May the National Operations Council (supreme governing authority for the duration of the emergency period) announced the formation of a high-level Capital Investment Committee (CIC). This body was directed to recommend ways of accelerating private investment and employment in manufacturing, especially in rural areas, and was given considerable powers to carry out its recommendations.

The CIC soon announced tax incentives for labor-intensive industries, those with export (or import-substitution) potential, and those which incorporate a high proportion of local content. Much effort was made to process investment applications more rapidly, and there have been signs of more give-and-take between business and the federal authorities. For example, while the Government often insists on at least 50% local participation in the equity of joint ventures, it was recently stated that these proportions would be subject to negotiation for enterprises showing good export potential.

In August, tariff increases on 21 classes of simple manufactures were announced in a new approach to encouraging import substitution. At the same time the government's willingness to grant pioneer status or investment tax credits to domestic manufacturers of these lines was announced.

The processing of investment applications and the administration of tax incentives, tariff protection, and services to investors have been lodged together in the Federal Industrial Development Authority (FIDA) in order to facilitate investors' dealings with the Government. However, after federal approval, investment proposals still face negotiation with state authorities for the use of land. The federal Government provides limited help at this stage through intercession or space in federally-controlled industrial parks.

Labor policy redefined

The Malaysians are in a period of experimentation with policies to create new employment opportunities and spread existing ones. It was recently announced that workers in pioneer industries would not initially be allowed to organize, an attempt to assure investors of a tractable work force.

The Government is fairly liberal in permitting employment of foreigners in key positions, but foreign firms must train Malaysians expeditiously to take over the work force and a reasonable representation in management.

Overtime is to be reduced in order to create new jobs. The activation of a controversial plan aimed at reserving available work for Malaysian citizens has been announced. Its impact will be sharpest among plantation workers, an estimated 59,000 of whom have not established their citizenship. Employers would find it hard to replace substantial numbers at the expiration of their present work permits, which reportedly are not to be renewed.

They have further expressed concern that the shortage of skilled workers (which exists side by side with substantial unemployment and rural underemployment) may be aggravated by the measure. Finally, uncertainty about the future among the affected persons could add a further element to a slump in consumption expenditures reported by retailers since the disturbances.

There has been limited success so far in the Government's effort to break down traditional patterns that concentrate Chinese in commerce and industry, Malays in subsistence agriculture, and Indians in the plantations. New enterprises granted pioneer status are expected to mix the races in their employ in proportions corresponding with the racial balance in the country as a whole.

Domestic business, predominantly Chinese-owned and family-oriented, faces special difficulty in practicing this policy. It may be that the Government hopes larger scale foreign enterprises with different management techniques will provide leadership in this respect.

Recent publicity surrounding the industrialization program has somewhat obscured the continuing role of agricultural development. Of an estimated 15.9 million acres suitable for agriculture in West Malaysia only 8.8 million have been alienated for that purpose and considerably less are actually under cultivation.

Notwithstanding this proportion of idle resources, agriculture accounts for approximately 28% of GNP (1966 data). Not only because of the scope for expansion and the existing national commitment but also because of a significantly smaller per capita investment is required to generate employment in agriculture, it is the key to the Government's employment strategy.

The goal is 30,000 new jobs annually in agriculture, forestry, and fisheries, and an increase in productivity per worker, which has lagged behind that in other sectors of the economy. According to reliable reports, major federal agricultural projects are to be shielded from any general austerity measures that may be imposed as a result of the May disturbances.

The Federal Land Development Authority is expected to approach its present administrative capacity in opening about 40,000 acres of land annually until 1973 with an acceleration thereafter. An additional 80,000 acres a year need to be opened by state authorities and private interests in order to meet the employment target.

It is extremely unlikely that most states

Tourist attractions

The growth of travel to Southeast Asia is affecting Malaysia along with other countries of the region. The expected initiation of new services (Pan American) between Malaysia and the United States should result in increased tourist traffic.

Malaysia's attractions include beautiful beaches, fishing grounds, and truly primitive, remote tracts of tropical rain forest which can be visited in a high degree of personal safety and comfort. The high level of public health and sanitation, good roads, and hospitable population form a base on which a profitable system of tourist amenities might be established.

A LABORER is shown tapping latex from a rubber tree in an estate in Malaysia. The latex is then coagulated for the production of rubber in sheets. Rubber accounts for about 60% of Malaysian crop land.

will have funds or staff to expand their existing programs significantly and the burden thus falls presumptively on the private sector. This recognition has no doubt oriented federal authorities toward active encouragement of private investors in this field wherever possible. A role for private enterprise is expected in the opening of three major land schemes in Pahang and Johore in the early 70's.

Rubber still key crop

The high return from rubber, as opposed to alternative uses to which land might be put, has in the past stunted the development of alternative crops in Malaysia. Despite a conscious effort by the Government to find other suitable crops, in which a number of private and semi-private interests are sharing, rubber is still estimated to account for 60% of the land under agriculture.

Rice is in the front line of diversification with major irrigation schemes on the Muda and Kemubu Rivers nearing completion. The Muda scheme, to be completed in 1970-72, will enable 50,000 farmers in that area to approximately double their gross output, thereby cutting down sharply on rice imports.

The principal alternative crop developed so far in the plantation sector is oil palm. Malaysia holds the lead among world producers of palm oil and kernel, but unfavorable price developments since 1965 have slowed the rate of new planting.

Major crops which have promise but require further field trials and/or market development are tapioca, bananas, sugar cane, maize, cocoa, and fodders. The modest success of tobacco as an off-season crop in certain areas illustrates what can be achieved by seemingly tradition-bound farmers when introduced to a suitable new crop and a satisfactory means of marketing it.

Both federal and state authorities have expressed an interest in developing a domestic cattle industry. The import-substitution possibilities of dairying have attracted attention; however, upgrading the existing domestic beef production would probably involve fewer technical problems.

Research units help producers

The long-established Rubber Research Institute (RRI) is carrying forward its celebrated programs to ensure that natural rubber continues to compete effectively with synthetic in international markets and that a reasonable rate of return accrues to the producer. An important part of RRI efforts is directed toward smallholders, by disseminating improved techniques and planting materials and assisting with the marketing of smallholder rubber. The Malaysian Agricultural Research and Development Institute (MARDI), formed in February 1969, is to occupy an analogous place with respect to oil palm and other crops, livestock, and fisheries.

It is to be hoped that the work of these institutions and of private companies will mitigate the national dependence on a few export crops and will improve the income of individual farmers, protecting them from the worst effects of commodity price fluctuations.

Less clear-cut, if no less important, development programs involve the furnishing of credit and other inputs to participating farmers. The overriding task of the Agricultural Development Bank established in the last session of Parliament will be production credit for the Muda scheme. This project, and the Kemubu project, will be exacting tests for the new bank, the farmers' associations, the storage and marketing facilities, and the other institutions that must coordinate their efforts in order to justify the $99.2 million investment in the two schemes.

Land problems persistently affect agricultural development, and mining as well. Committed to plan goals, the Federal Government has not everywhere enjoyed full cooperation from the states, which under the Malaysian constitution control land alienation.

States like Pahang and Johore have large tracts of available land and liberal alienation policies; in other states repeated confrontations with land-hungry squatters, backlogs of applications in land offices, or unexplained refusal to allocate land for development imply an opposite policy on land distribution.

Deposit location can be problem

Land administration has similarly held up exploration for minerals. The resources of the ocean floor are controlled by the states within a three-mile limit from shore, but the federal authorities have some powers to direct mining exploration and development along nationally desirable lines.

Problems also arise when mineral deposits are found within "Malay Reservations" set aside by law for the use and benefit of people of Malay origin. A common if somewhat unwieldy remedy is a corporation under Malay ownership which can then contract with outsiders, if necessary, for exploitation of the resources.

The federal authorities are apparently aware of the cost of idle land resources. With the suspension of parliamentary rule and certain constitutional provisions it seemed that a way might be found of cutting through to a solution. After a recent meeting of the National Land Council (in which the state and federal governments participate), the state governments announced a willingness to ease

some aspects of land alienation, indicating limited progress in the land problem.

No significant change in the business climate can be traced with certainty to the emergency. A slight increase in transfers of personal funds from Malaysia was at first perceived but it was not considered serious and has since dwindled.

While there is some talk of emigration among certain educated and more affluent elements no actual evidence of capital flight or "brain drain" is yet to be seen. This appears to be a demonstration of the truly extraordinary impact of prosperity in the rubber industry on business generally. The revival of rubber prices beginning in 1968 signalled a remarkable recovery of optimism which may have blunted the impact of the disturbances on business sentiment. There seems no reason now to anticipate deviations from the basically favorable treatment traditionally accorded investors, including ease in repatriation of capital and profits to those abroad.

Funds are available in local institutions for a higher level of domestic investment than is taking place. Bankers blame their idle funds on a shortage of imaginative business ideas and managerial talent. The typically conservative local business community tends to follow tried-and-true lines, limiting the scope of enterprises to that encompassed by the family's financial and manpower resources. The emphasis is on trade as opposed to manufacture.

It appears that some headway is being made against this resistance by aggressive lending on the part of financial institutions. The semi-official Malaysian Industrial Development Finance institution reported that its volume of lending increased to $8.9 million for the financial year ending in March 1969, as compared with $4.4 million in the preceding twelve months, an achievement attributed partly to deliberate cultivation of small and medium-scale borrowers.

Balance of payments in surplus

Malaysia's current external transactions generally show a surplus on merchandise account offset by net outlays for services and transfers. The strong export performance mentioned above, together with a level of imports slightly below that in 1968, resulted in a trade surplus of $208.6 million in the first six months of 1969. The corresponding surplus in 1968 was $59.9 million. (These figures include cost, insurance, and freight for imports and use f.o.b. values for exports.)

While over-all balance of payments statistics were not available in time for inclusion in this report, official sources state that total Malaysian reserves of gold and foreign exchange increased by about $100 million in the first six months of 1969. Continued good export performance is expected.

On the import side an increase in demand is perhaps overdue, considering the current prosperity; at any rate it is to be hoped that increased domestic capital formation will be reflected in higher outlays for imported equipment. The duties newly increased as part of the investment promotion program will probably have only a moderate influence on expenditure for imports.

Growing demands for education, health, and other government services ever since independence in 1957 have caused great increases in recurrent federal expenditure. In 1966, recurrent expenditure amounted to $543.1 million. In the 1969 budget, despite a serious effort to economize, it was projected at $639.5 million.

The Government has resisted introducing additional taxes on the grounds that they might be discouraging to business. The current account budget surpluses of history have given way to deficits with the result that official development expenditure has to be financed.

In the period just ahead there will no doubt be additional difficulty [illegible] the growth of the official payments is fortunate in these circumstances that the surplus of savings over investment in the private sector has provided a source of non-inflationary domestic borrowing.

The unforeseen improvement in rubber prices may mean an increase on the order of $23 million in tax revenues above that anticipated for 1969. On the other hand, security and other additional expenditures directly resulting from the disturbances may mean additional outlays of quite a different order of magnitude.

Budget deficit likely

Carefully devised new taxes could provide at least a partial answer if adopted; a curtailment of official economic development expenditures is also a possibility. In any case it would not be surprising if, for the first time, recurrent expenditure exceeded current revenue by a substantial margin in 1969.

Public debt remains at a tolerable level; the total at the end of 1968 amounted to $1,333.5 million as compared to GNP estimated at $3,330 million in that year. Interest and amortization charges on the public debt were $84.0 million. Of the total debt only $193 million represented external debt.

Malaysia's experience in utilizing foreign assistance has so far been limited. Typically such aid is only applicable to the foreign exchange costs of specific projects, which constitute a small part of total cost. Moreover, aid is generally tied to purchases in the donor country which may not be competitively priced. In these circumstances an aggressive borrowing program would seem to be amply justified for those projects and will pay off at prevailing interest rates.

TIN ORE is recovered from the sluice-box of a gravel-pump mine. Although efforts are being made to diversify export production, rubber, tin and timber continue to account for 70% of export earnings.

MALAYSIA AND SINGAPORE

Receptive Asian markets

Commerce specialist finds encouraging U.S. prospects, but strong sales effort is needed

By FLOYD J. DUBAS
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In the broad definition of export markets, those in Malaysia and Singapore may be labeled as relatively unfettered by regulations, increasingly free from pressures of former colonial ties, and prospering steadily.

Exporters cultivating these markets do not in most cases have to scale high tariff walls, compete for scarce foreign exchange, or qualify for import quota allocations. The exporting formula here is simply the application of a sound merchandising strategy which features the offer of salable and competitively priced goods, adequate representation by a local distributor or sales branch, competitive payment terms, and, regardless of the sales outlet chosen, the most prompt deliveries. If the product calls for it, add servicing.

Marketing men who are familiar with the favorable aspects of the Malaysia and Singapore markets have noted the low overall performance of American exporters in an annual market of $2.5 billion, where the U.S. share has been static for several years at about a 6% level. U.S. exporters who have discovered and are successfully cultivating these markets wonder why more of their colleagues have not followed their example.

The Department of Commerce has been aware for some time of the favorable aspects of these markets—that they are unrestricted and attractive and that successful penetration by exporters rests largely on appropriate selling efforts. This information has been broadcast to American businessmen by the Department in various ways. Also, American businessmen who have visited these countries singly or in trade missions have helped to spread the word among their colleagues in the U.S. business community.

Noting the increasingly attractive nature of these markets and an indifference to them by many American exporters, the Department sent a specialist to the scene to look for market opportunities and to see how they might be developed.

This effort has revealed again that the markets in Malaysia and Singapore are for the most part openly competitive, unrestricted by government measures, and increasingly prosperous. The investigator also found that a wide range of products made in the United States can be sold there, and confirmed earlier assessments that these markets are being neglected by many American exporters, that U.S. goods are highly regarded and acceptable, and that importers can be found who are willing to respond to reasonable offers from American suppliers.

The results of this investigation have just been published in a special report titled "Country Market Survey—Malaysia and Singapore." It gives insights into the economies of these countries, the characteristics of the markets, the import requirements of the several market sectors, the distribution system, and marketing factors which influence sales. The report also identifies some of the best product sales opportunities in these countries.

American exporters carefully searching for qualifying criteria for serious market development efforts in Malaysia and Singapore are bound to find that positive factors far outweigh negative ones.

Are U.S. goods wanted?

Almost the entire range of products made in the United States are in demand in Malaysia and Singapore. However, U.S. manufacturers cannot hope to place all of them in these markets. Some are not competitive due to the high cost of hauling them great distances.

In foodstuffs, local or nearby sources are favored, or foreign sources are more competitive. An example is the $27 million annual import requirement for milk, principally in dried form which comes mainly from Australia, New Zealand, the Netherlands, and Denmark. American suppliers are active in some food lines, and there is a good potential for additional sales in such items as canned meats and extracts, meat-based baby foods, fruits, tomato sauces, soups, canned milk and many food specialties.

Other U.S. consumer goods which have a growing appeal among the more affluent and discriminating customers are air conditioners, refrigerators, travel goods, toiletries and cosmetics, playing cards, tapes and discs, paper products, cigarettes, and certain cotton apparel.

While good sales prospects are seen in some consumer items, the best potential in both range and volume is in producer goods. In 1967, imports from the United States by Malaysia and Singapore of 12 categories of producer goods were valued at almost $40 million, or 29% of their total imports of these categories. In 13 categories in which U.S. sales ranged from $200,000 to $1 million, total U.S. sales amounted to about $5½ million or almost 9% of total imports into Malaysia and Singapore.

Although a number of American exporters maintain sales and service branches in these countries, the bulk of American sales are made by local distributors. Most of them are large and well-financed trading companies, and a large number are foreign-owned, principally by British nationals. In most cases, these establishments handle a full catalog of many lines of merchandise; however, some of them specialize in a limited number of product lines.

Local distributors generally have agency contracts with exporters in all of the exporting nations of the world, including the United States, and serve their principals as wholesalers or indent agents in capital goods. End-users who are manufacturers or public entities often buy goods for inventory to supply continuing requirements.

An increasing volume of import business is handled by small and medium-sized

Full report available

This article is based on a new 118-page publication issued as part of the Commerce Department's International Marketing Information Service. Titled *Country Market Survey—Malaysia and Singapore*, the report is available for $1.25 from any of the Department of Commerce field offices or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

distributors, which usually handle a smaller range of products and tend to specialize in selected lines. Although having more limited resources, they are also competent performers as their expanding sales volumes indicate. Since they have fewer agency commitments than their larger competitors, these firms are often chosen as agents by foreign suppliers planning to enter or expand sales in these markets.

Salesmanship is an advanced art in Malaysia and Singapore. Local salesmen are keen-minded, energetic, sales-motivated, and well grounded in customer attitudes. American exporters who impart to their distributors in these markets product know-how and the best of their marketing skills usually develop a successful partnership.

Twin problems of sales performance by local distributors are over-commitment in agency involvement, and a lack of adequate marketing support by principals who forget that their agents abroad are extensions of their domestic sales departments whose remoteness from the home office requires special attention. A major factor in improving sales performance by distributors in Malaysia and Singapore is frequent contact with them by company representatives from the home office, or a conveniently located regional marketing center such as Singapore.

What sells best

Broadly speaking, imports into these countries consist mainly of producer goods to expand and keep the several economic sectors going. Although in smaller volume, consumer goods imports are also important, and are rising with the general improvement in the level of living which is high in these countries by Asian standards.

The growing and processing of rubber, palm oil, and coconut palm contribute importantly to the economy of Malaysia, while processing alone is an important activity in Singapore. These activities need a considerable input of machinery, equipment and supplies. No major changes in production technology have occurred recently, though a trend is quickening for improved methods in natural rubber processing to make the product more competitive in world markets. Import requirements for the production and processing of these crops are growing in line with a steady expansion of the rubber and oil palm industries.

Rice production is a major activity which provides a livelihood for the largest segment of the Malaysian population. However, a backward farm technology in rice growing has thus far created only a modest import demand for producer goods, and low farm incomes (an average rice farm is about four acres) have limited the market for consumer goods in this sector. In the long view of the farm market, however, it is significant that Malaysia is in step with the current race for increased food production. The Government currently is implementing major programs to irrigate rice lands for double cropping, to improve farming technology, and extend credits to farmers. These steps are creating new demands for agribusiness equipment and supplies.

Diversification of economic pursuits including food processing is a continuing target, and new import requirements are seen for equipment and technology in the production and processing of fruit, fish, livestock, and poultry.

Mineral production is an important economic activity which depends largely on imported equipment. Tin mining is of primary importance, and iron ore production is runner-up. These activities create a substantial and continuing demand for equipment and supplies, and while there are no immediate prospects for increased imports in this sector, current explorations of new tin and iron ore deposits are expected to create new import demands.

The forestry sector has shown the most dramatic growth in recent years, and now occupies a major position in the Malaysian economy. Present maintenance equipment requirements and new needs arising from further expansion in the coming years should continue to attract the attention of U.S. investors and suppliers of a wide range of logging and woodworking equipment.

Manufacturing, which now constitutes about 12% of the gross national product in Malaysia and Singapore, has made very rapid progress in light industries in recent years and promises to move ahead at an accelerated pace. The reliance on imports for machinery and equipment procurement is probably greatest in this sector.

The annual average growth rate in construction from 1960 to 1968 was about 16% in Malaysia and somewhat higher in Singapore. This rapid rate of progress is expected to continue in both the private and government sectors. Although important requirements are procured from local sources—cement, structural steel, some fixtures and building materials—import needs for cranes, plumbing fixtures, hardware items, air conditioners, elevators, and office equipment will continue to be significant.

Very large import demands are generated by government procurement. A significant part of the annual average of the development plan project expenditures of $338 million in Malaysia and about $143 million in Singapore are being spent for imported equipment. Having given substantial support for infrastructure development in recent years, the governments of both countries are expected to accelerate public works programs in their next development plans starting in 1971. Procurement requirements for equipment will continue to rise for highway, railway, aviation, port, electricity, irrigation, and telecommunications development projects. The market for technical services in the government sector in both countries is probably larger than in the private community; the already substantial demand for services will continue to expand.

Marketing tips

Although significantly higher prices for some American products virtually shut them out of these markets, premium prices for many U.S. goods may be entirely acceptable to customers provided proper attention is given to other important marketing factors such as financing, prompt delivery, and servicing when needed.

The salesmanship factor is undoubtedly of paramount importance in successful marketing in Malaysia and Singapore. Although good salesmanship is available in these countries, it is not always readily obtainable by foreign suppliers since their distributors have often undertaken agency contracts in more product lines and items than they are able to serve effectively. It is therefore important to measure sales prospects carefully, and to deal with local agents who are capable of assuming their proper share of market development responsibilities.

When a suitable agent is found, and many opportunities exist among the small and medium-sized firms, it is important for the supplier to assume his share of the essential marketing functions. These include assisting in assessing the market potential, developing marketing strategy, and identifying specific technical equipment requirements; the extension of competitive payment terms and credit; programing of delivery schedules to meet customer requirements; and the solution of specific marketing problems. They also include quoting c.i.f. prices with proper attention to inclusion of export costs only and programing appropriate servicing facilities.

Singapore, with a favorable location in the paths of international commerce in Asia and excellent facilities for servicing entrepot trade, has been increasingly sought by U.S. exporters as a center for marketing and distribution in the region. A significant advantage of this approach is the likely elimination of the time/

distance problem which American exporters face, particularly when Asian importers are required to finance letters of credit at the time orders are placed. Other important advantages in a regional marketing effort in Singapore are the higher sales potential in a multi-market approach over a single market campaign, and a more efficient means of market development and supervision by the U.S. exporter.

The best opportunities for a region-wide marketing and distribution effort in Singapore are seen in a wide range of manufactured goods with major emphasis on producer equipment. Some leads as to which products may be most conveniently distributed regionally via Singapore, or which regional sales campaigns may be effectively centered in this area, are provided in the commodity import trade data included in the "Country Market Survey —Malaysia and Singapore."

Two new Free Trade Zones guarantee Singapore's future status as a free port

Two Free Trade Zones in Singapore officially went into operation on Sept. 1. Although Singapore still may be considered a free port for most types of goods, the existence of the Free Trade Zones will assure that regardless of import restrictions and duties now in effect or to be established in the future, this country will continue to function as a regional distribution center.

The two designated Free Trade Zones encompass the entire premises of the Port of Singapore Authority (PSA) within its perimeter fence, extending from Telok Ayer Basin to Jardine Steps, and the Jurong deep-water wharves.

The PSA has constructed new warehouses to be used exclusively for foreign trade zone operations. Area available as of Sept. 1 was 500,000 square feet; an additional 300,000 square feet will be ready in the first quarter of 1970, with a new project scheduled for completion by the end of 1970 which will have from one to two million square feet.

The sheds now in use are divided into compartments of 2,500 square feet each and rent at six cents (U.S.) per square foot per month.

Documentation requirements for goods imported into and removed from the Free Trade Zone have been simplified by the Finance Ministry.

Further details may be obtained from: H. V. Hagan, Project Manager—Warehousing, Port of Singapore Authority, Singapore.

Regional sales approach for Asia attracting more U.S. exporters

Hong Kong, Singapore used most by firms seeking area-wide marketing base; advantages are summarized for U.S. traders

A regional marketing approach is increasingly favored by American firms for sales promotion in the Far East. With a regional office located in a place like Hong Kong or Singapore, an American firm can significantly narrow the time and distance advantage of Japanese and other competitors. Also, a supplier can develop several country markets more effectively through a regional office, and can thus attain a higher sales volume.

Operating from a regional base, the firm can quickly identify and pursue trade opportunities through closer contacts with agents and distributors throughout the region. Well situated to aid local agents with technical information and assistance in sales development, the firm can also conveniently furnish after-sales technical and repair services to customers.

Finally, the operation of regional warehousing facilities enables suppliers to speed delivery of goods and spare parts to Asian markets. This is especially important because quick deliveries are a significant competitive factor, and because local agents often cannot afford to carry stocks of parts or goods in view of the high credit costs that would be involved.

Regional functions are varied

Regional operations carried on by U.S. firms encompass a variety of functions, depending on the nature of the product and the objectives of the firm. The regional office may function in an administrative capacity, keeping the sales and other accounts for the entire region; it may serve as a direct sales office; or it may represent a base for supervisory salesmen who travel to other countries in the area to assist local representatives. Some firms provide engineering and other professional services to a number of countries from regional offices. An increasing number are renting warehouse space for stocking equipment and parts, and for wholesaling to the entire region.

Although other Far Eastern cities may also be considered for establishing regional offices, Hong Kong and Singapore are desirable by virtue of frequent air service, excellent banking and shipping facilities, pleasant living conditions, and ease of doing business. Of the over 400 American firms presently located in Hong Kong, more than 200 have established regional marketing offices there and others are planning to follow suit. A similar trend is under way in Singapore, where a somewhat smaller number of American firms now have regional offices.

The pharmaceutical industry, in particular, has found Hong Kong and Singapore to be profitable bases for operations. Petroleum products, chemicals, electronic equipment, plastic materials, heavy and light machinery, food products, telecommunications equipment, and office machinery are other product lines that have been successfully marketed through a region-oriented approach.

Favorable transport situation

What recommends Hong Kong and Singapore for regional headquarters is, first of all, the accessibility of important Asian markets from these two cities. Airports servicing Hong Kong and Singapore are close to their respective downtown areas, departure and entry formalities are efficient, and more than 20 international airlines offer frequent flights.

Both Hong Kong and Singapore have superb natural harbors and very efficient servicing of international cargoes. An average of about 35 sea-going vessels call each day at Singapore's storm-free port, the fourth largest in the world in cargo tonnage handled. Daily calls of ocean-going vessels at Hong Kong average about 20. Both ports provide fully adequate facilities and modern cargo handling equipment. Singapore is building container facilities at the present time and Hong Kong is currently considering construction of such facilities.

Abundant storage space

For firms interested in stockpiling equipment and parts, Hong Kong offers over 74 million cubic feet of space in transit sheds and warehouses, of which three-and-one-half million cubic feet are refrigerated. Hong Kong's larger warehouses cater to firms with regional operations; they provide services to resident firms directly and to non-resident firms in

cooperation with local banks. Warehouses will break bulk, maintain inventories, and, given the power of attorney, prepare shipping documents.

Monthly warehousing costs in Hong Kong for enclosed space run about 25 cents per square foot. Receiving and/or shipping services are provided by warehouses for non-resident firms at a rate of $3.50 per ton for non-hazardous, non-dutiable goods, with a minimum charge of $20 per shipment, plus a documentation and forwarding charge of 1 to 2% on the outward invoice value of the shipment.

In Singapore public warehousing facilities are available at 48 transit sheds at wharf-side and 20 warehouses in the city area, as well as a 20-acre open storage area. Covered storage space currently totals over two million square feet of floor area, and a major expansion program is under way to meet demand. Extensive, centrally-located, and steadily expanding private warehousing facilities are readily accessible to shipping via the Singapore River. Goods delivered within three days of completion of discharge from vessels are not charged for storage in the warehousing facilities.

In addition, free storage up to four weeks is allowed for transhipment cargo; thereafter, a sliding scale of rates is levied, generally 13 cents per ton for the first week, 33 cents for the second, and $2.50 for subsequent weeks. Local banks in Singapore, as in Hong Kong, will arrange warehousing services for non-resident firms.

Banking facilities rate high

Both Hong Kong and Singapore offer efficient and highly sophisticated banking services. Included among Hong Kong's total of 75 banks (with more than 300 branches) are the following American banks with offices in Hong Kong: American Express International, Bank of America, Chase Manhattan, Crocker-Citizens National, First National City Bank, International Bank of Commerce, Irving Trust, Marine Midland Grace Trust, National Bank of Commerce, and the Underwriters Bank.

Singapore's financial facilities consist of 35 commercial banks with 133 banking offices. Numbered among Singapore's foreign banks are the Bank of America, First National City, and Chase Manhattan. In addition, local banks with world-wide affiliations represent such large American banks as American Express, First Chicago International Banking Corporation, Irving Trust, Manufacturers Hanover Trust, Morgan Guaranty Trust, Union Bank of California, and Wells Fargo.

Further, there are no foreign exchange problems in either Hong Kong or Singapore. One of Hong Kong's chief attractions is its free money market and easy currency convertibility. In Singapore's case, the Government holds adequate, diversified foreign exchange reserves, and funds are readily transferred to other countries. No documentation is necessary for transfers to sterling areas, and permission is freely granted for transfers to non-sterling areas. Neither Singapore nor Hong Kong has any restrictions on remittance of profits and earnings back to the home country.

Of special importance to businessmen, too, are the comprehensive and efficient communications networks linking Hong Kong and Singapore to the region and to other parts of the globe. Both cities are served by worldwide telex and phototelegram services.

Postal services are frequent to all parts of the world. Three local deliveries are made daily in Singapore and two in Hong Kong. Airmail letters to the United States arrive in 3-5 days.

Taxes are low to moderate

In both Hong Kong and Singapore there are no turnover or sales taxes, and no capital gains or development taxes. Singapore levies taxes on firms only when they make a profit, at a flat rate of 40%. Deductions are allowed for all direct and overhead expenses, including interest on loans, declared dividends, repairs, bad debts, and depreciation on buildings and equipment. Foreigners staying in Singapore more than 183 days are taxed according to a sliding scale of rates from 6% on the first $830 to 55% on that portion of income in excess of $33,333. With deductions, an individual with three dependents and an income of $20,000 would be subject to a tax of about 20-22%.

In Hong Kong's very favorable tax situation, all firms are subject to a standard rate of 15%. Tax is chargeable only on income or profits arising in or deriving from Hong Kong; no tax applies to income or profits arising from abroad, even if remitted to the Colony. Deductible expenses include outlays for scientific research, rent of building, interest on loans, depreciation, and similar items. Tax on earned income by individuals is subject to a sliding scale of 2¾% to 30% on taxable income, after allowed deductions, but is limited to a maximum of 15% of total gross earned income.

Beyond the directly economic arguments for setting up headquarters in Hong Kong or Singapore are the pleasant living conditions for employees of American firms and their families. Singapore's tropical climate shows little seasonal variation, with daily temperatures ranging from 70° to the high 80's. Hong Kong's seasonably variable climate includes chilly as well as hot, humid days, yet offers long periods of fine weather.

Apartments, terrace houses, semi-detached and detached bungalows are available in Singapore, but a heavy influx of foreign businessmen and their families is presenting a problem in finding suitable premises; a good three-room apartment, furnished, rents for $175-200 per month. Apartment rentals are higher in Hong Kong, where the housing situation is tight.

High health standards

Both Singapore and Hong Kong have good health facilities, including government and private hospitals, and many physicians, dentists, and clinical specialists. Public health standards in both cities are high for the region.

Education for foreign English-speaking students is provided in Singapore at the American School, as well as in schools run by the British Forces. For English-speaking children, Hong Kong offers one private and five government primary schools, one private secondary school, and one government secondary school.

Businessmen planning to visit either Hong Kong or Singapore may wish to obtain multiple-entry visas. Singapore issues Professional Visit Passes to qualified foreign management and technical personnel working in Singapore. These passes, obtainable from the Controller of Immigration, are valid for one year and are easily renewed. Hong Kong requires an entry visa, usually granted within a month after application, for establishing residence, entering employment, or establishing a business.

Regional market reports

In order to provide more complete information on regional marketing through Hong Kong and Singapore, the Department of Commerce has issued two special Overseas Business Reports: *Market Factors in Hong Kong—Hong Kong as a Regional Marketing Center* (OBR 68-97); and *Market Factors in Singapore—Singapore as a Regional Marketing Center* (OBR 69-55). These reports are available at 15 cents a copy from any Department of Commerce field office or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Swedish trader denied U.S. exports

Malmo exporter banned for 60 days for alleged shipments to Cuba

Gert Hylen of Malmo, Sweden, has been temporarily denied all U.S. export privileges for suspected illegal transshipment of large quantities of automotive and engine spare parts from Sweden to Cuba.

The U.S. Department of Commerce announced that, to prevent evasion of the order by Hylen, the restrictions also apply to four Swedish firms owned or controlled by him. They are G. Hylen A.B., Malmo; AB Ramviksverken, Remvik; Firma Gate, Hjo; and Firma Tom Stenholm, Olofstrom.

In 1967 and 1968 Hylen and his firm F. Hylen & Co., now in bankruptcy, received over $200,000 worth of spare parts from U.S. suppliers. According to information developed by the Investigations Division of the Office of Export Control in the Department's Bureau of International Commerce, all or a substantial portion of these parts were reexported by Hylen to Cuba in violation of the U.S. Export Control Regulations. Except for goods for humanitarian needs, the United States has had an embargo on shipment of U.S. origin goods to Cuba since 1960.

BIC said that it was reasonably necessary for the protection of the public interest to issue the denial order while the investigation continues. The order is designed to prevent Hylen and the firms he controls from dealing in U.S. goods and to prevent parties in the United States and abroad from furnishing him and his companies with any U.S. commodities.

The order is effective for 60 days while the investigation continues, but may be extended.

German microfilm industry in vigorous expansion; may stage regular exhibits

German film industry sources report that about 7,000 microfilm facilities are now in operation in the Federal Republic of Germany and the market is expanding at a vigorous pace. The total business volume of Germany's microfilm equipment manufacturers will be about $10 million in 1969, compared with about $8 million in 1968.

There is practically no technology gap in this field between the United States and the Federal Republic of Germany, but there is talk about what is termed an application gap. While most major corporations in the Federal Republic have at least started storing their blueprints and other technical records on microfilm, only 400 out of the total of 20,000 technical offices in Germany have their own microfilm cameras. Some of the others engage the assistance of microfilming service shops, of which there are about fifty in existence.

These are some of the highlights reported at the third International Micrographic Congress held in Frankfurt, Sept. 24-26. The Congress was attended by 760 participants from 28 countries and was so successful that the sponsors now consider staging a commercial microfilm event in Germany at regular intervals.

The Congress was combined with an equipment show with seven U.S. companies taking part in the exhibit. Additional information and documentation on the Congress is available from the National Microfilm Association, P.O. Box 386, Annapolis, Md. 21404.

Australia revises tariffs on almonds, tubing, cylinders

On Oct. 10 the Australian Minister of Trade and Industry released three reports of the Tariff Board on flexible metal tubing, almonds, and compressed gas cylinders. The Government accepted the recommendations and findings in each of the reports, and the resulting duty changes became effective Oct. 13.

The only changes on flexible metal tubing and piping were reductions of the duties on tubing and piping consisting wholly or essentially of spirally wound wire. The duties are now 7½% General (applicable to imports from the United States) and free Preferential.

The Tariff Board report on almonds recommended that the duties be increased on most imports, particularly on processed and packaged almonds, which previously and been mainly free from duty. The new duties on almonds in the shell, kernels, and processed almonds are 15% for both General and Preferential.

The adoption of the Tariff Board's recommendations on gas cylinders resulted in an increase in the duties on most seamless cylinders from 12½% (General) and free (Preferential) to 35% (General) and 25% (Preferential). Duties of 40% (General) and 30% (Preferential) now apply to cryogenic containers and welded gas cylinders over 350-lb. water capacity. The duties on smaller welded cylinders remain at 12½% (General) and free (Preferential).

Ambassador Keating opens U.S. Chamber in Southern India

U.S. Ambassador to India Kenneth B. Keating recently inaugurated in Madras the Southern Regional Council of the Indo-American Chamber of Commerce (IACC). Representatives of 20 firms, either U.S.-owned or having a degree of American investment, form the membership of the newly-created Council, which joins the Councils for the northern, eastern, and western regions of the country in promoting increased understanding and closer commercial ties between India and the United States.

In his address, Ambassador Keating noted that the expansion of the IACC comes at a time when the United States has become both the largest single source of foreign investment in India and India's primary trading partner. He viewed these trends as a recognition of the mutual benefits involved and expressed the hope that as Ambassador he would be able to assist in removing barriers and in fostering the continued growth of Indo-U.S. commercial ties.

Following the Ambassador's inaugural address, the Tamil Nadu State Minister of Industries responded with a speech highlighting the favorable attitude of his government toward the private sector in general and toward foreign investment in particular. He welcomed the inauguration of the Southern Council of the IACC and, in addition, invited the United States to send a team to Tamil Nadu to identify specific areas of potential collaboration with Indian industry.

Niger acts to reduce duties on imported used clothing

The Finance Ministry of Niger has announced a reduction in the Fair Market Value assigned to imported used clothing from 300 CFA francs (US$1.08) to 100 CFA francs (US.36¢) per gross weight kilo. This action, in effect, reduces the amount of duty assessed per kilo, since the Fair Market Value functions as the basis on which import duties and taxes are computed. The total of duties and taxes on such imports from the United States are currently equal to 70% of the Fair Market Value or 70 CFA francs (U.S.25¢) per gross weight kilo.

Brazilian metal firm seeks U.S. partner

A Brazilian company currently producing steel shapes, pipes, tubes and hot-rolled sheets for use in metallurgical manufacturing activities desires financial and technical collaboration with an American company to expand its activities. The firm is especially interested in establishing new facilities to manufacture machinery for the chemical and petrochemical industries in addition to the expansion of its present product lines. Equity and managerial partnership up to 50% is offered with minimum financial participation set at $1,000,000. The company's plant is located in the industrial district of Rio de Janeiro.

Write: Jose Nunes Salgueiro, Jose Salgueiro Industria e Comercio S.A., Rua Professor Pereira Reis 119, Rio de Janeiro, GB, ZC-05, Brazil. WTD. **P-70284.**

Loan copies of the firm's complete proposal and expansion plans (in Portuguese) are available from the Office of International Investment, Bureau of International Commerce (BIC-878), U.S. Department of Commerce, Washington, D.C. 20230.

German pipe, pump maker is interested in producing rotary, self priming devices

A German manufacturer of pipes, fittings and pumps for water systems seeks licenses. The firm is interested in the production of pumps for sewage systems, including submersible pumps for both portable and stationary operation, vertical and horizontal rotary pumps and self priming pumps. The German company has approximately 1000 employees and exports about 40% of its production.

Write: Meichsner, Director, Guss-und Armaturwerk Kaiserslautern, 6750 Kaiserslautern, Hohenecker Str. 5, Germany. WTD. **P-70286.**

U.K. chemical, metal firm is interested in joint ventures or licenses

McKechnie Brothers Ltd., a British manufacturer of inorganic chemicals and pigments, non-ferrous metals and intermediates and household products, is interested in either a license or joint venture to manufacture and sell: agricultural chemicals such as pesticides and feed additives; and pigments, resins, and other intermediates for the manufacture of paint and plastics.

The firm, founded in 1871, reported annual sales for 1968 of $96 million, and indicated it has 2,000 employees in the United Kingdom, including 100 salesmen. There are six principal subsidiaries in the McKechnie Brothers Group: one chemical company and three metal companies in the U.K. and subsidiaries in South Africa and New Zealand. Since 1966, the firm has owned two British firms jointly with a major American mining and refining company.

Write: McKechnie Brothers Ltd., P.O. Box 15, Widnes, Lancashire, England. WTD. **P-70290.**

Diesel engine license sought by Brazilian manufacturer

A Brazilian firm seeks licensing agreements to manufacture small and medium size marine and stationary diesel engines, preferably water cooled, 4 cycle type. The marine engines would be installed on small or medium size fishing boats and the stationary engines used for industrial and agricultural purposes. The company indicates that a monthly production rate of between 100 and 200 engines would meet present demand.

Currently, the concern produces around 100 gasoline engines per month varying from 6 to 30 h.p.

Write: Norberto W. Schossland, Mold Motores S.A., Rua Dr. Joao Collin, 655, Joinville, Santa Catarina, Brazil. WTD. **P-70274.**

U.S. licenses are sought by Swiss milk concern

A medium-sized firm specializing in milk products wishes to diversify its operations to include foods through U.S. license arrangements. The newly-built plant is equipped with modern automatic manufacturing equipment. It produces 80,000 gallons of milk daily. Licenses to manufacture products complementing the dairy field will be given preference but the company is interested in food preparations of all kinds in powdered or liquid form, canned or bottled. Fruit juices and seasonings in tins or tubes would also be given serious consideration.

Write: (preferably in French) Ropraz, Milco S.A., 1631 Sorens, Switzerland, WTD. **P-70289.**

Swiss food, drug firm seeks licenses

An established maker and distributor, Multiforsa in Zug, Switzerland, of feedstuffs, feed supplements, veterinary pharmaceuticals and diabetic specialties for human consumption seeks U.S. licenses for similar products. It is particularly interested in manufacturing under license special animal feed substitutes such as vitamins, hormone preparations, enriched feed flour etc. Antibiotics, sulfamids and vitamin concentrates for veterinary purposes are also desired as well as dietetic specialties for diabetics, babies and for general applications in hospitals.

Multiforsa has large and modern facilities. Its labor force is approximately 130 persons in addition to 61 salesmen traveling throughout Switzerland. Several of Multiforsa's products are exported throughout the world.

Write: Multiforsa S.A., 6301 Zug, Switzerland. WTD. **P-70285.**

Investment Assistance

To receive follow up assistance and general information about investment abroad telephone: 202-967-3786 or write: Office of International Investment, Department of Commerce (BIC-878), Washington, D.C. 20230. "P" numbers should be used when writing about specific proposals.

WTD indicates that a World Trade Directory Report containing financial and business background information on the foreign firm is available for $2 from the Department of Commerce (BIC-924), Washington D.C. 20230 or the nearest Department of Commerce Field Office.

The licensing and joint-venture proposals listed in this section are published as an informational service for U.S. firms interested in overseas affiliations. Companies responding to these opportunities should be cognizant of the present mandatory investment regulations administered by the Office of Foreign Direct Investments, U.S. Department of Commerce, Washington, D.C. 20230.

Brazilian company offers joint venture to American firm

Offers 50% interest in auto supply venture; needs capital, know-how

A major Brazilian manufacturer of motor vehicle half axles, storage batteries and brake fluid is interested in a joint venture with a U.S. company. The Sao Paulo firm seeks a substantial capital investment, plus management, technical and marketing assistance. In return, it offers a U.S. participant a 50% interest in the enterprise.

In addition to its other activities, the Sao Paulo company has recently become Brazil's leading producer of litharge and red lead. It also distributes motor vehicle parts and accessories manufactured by other firms. The company currently supplies 40% of Brazil's half axle replacement market and 15% of the storage batteries sold annually in the country. It has recently modernized its operations and has land available for expansion.

Write: Dr. Victor de Paula Figueira Freitas, Industrial Director, Auto Asbestos S.A., Rua Jaceru 231, Caixa Postal 30502, Sao Paulo, S.P., Brazil. WTD. **P-70299.**

Tanzania paper firm offers equity for U.S. partner

A Tanzanian paper manufacturer seeks to expand its product line through a licensing or joint venture agreement with a U.S. firm. The Dar es Salaam firm wants to make millinery bags, multi-walled sacks for packing cement, salt and sugar and printed envelopes. A U.S. participant is offered up to 49% equity in the enterprise. Currently, the Tanzanian concern produces toilet and facial tissues and napkins.

Write: Amir D. Dhalla, Managing Director, Dhalla Paper Industries Ltd., P.O. Box 20955, Dar es Salaam, Tanzania. WTD. **P-70270.**

U.K. soft drink company offers distributor system

A British manufacturer of soft drinks with warehouse facilities in twenty-five cities throughout England and Wales, offers "ready made" distribution system to an American company interested in such services. The firm is interested in entering into licensing arrangements with a U.S. company for the manufacture or packing of items in the following categories: brand-named medicinal products, canned or preserved food specialties, fruit juices, salted nuts or potato chips and small items of domestic hardware.

Write: Office of International Investment, Bureau of International Commerce (BIC-878), Department of Commerce, Washington, D.C. 20230. WTD. **P-70292.**

Old-line German firm asks electrical fitting license

A long-established German manufacturer and exporter of electrical devices and metal turnings seeks a license from an American firm for the production of small electrical and plumbing fittings. A ready market for these products is seen in both EEC and EFTA countries.

Write: Anton Hummel, Metallwarenfabrik, 7808 Waldkirch/Breisgau, 2-4 Mozartstrasse, West Germany. WTD. **P-70266.**

U.K. manufacturer seeks license for air conditioners

H and V Contract Ltd., a subsidiary of London and Midland Industrials Ltd., seeks a licensing arrangement with an American firm to manufacture under license in the U.K. packaged air conditioning equipment. The firm presently operates as air conditioning, heating, and ventilation engineers and manufacturers of ductwork.

Write: H and V Contract Ltd., Romar House, The Causeway, Staines, Middlesex, England. WTD. **P-70255.**

Licenses to make specialty chemical products desired

Licenses to manufacture specialty chemical products for the photography and graphic arts industry are sought by a Rio de Janeiro firm. Of particular interest are press and art room offset chemicals, filming agents and chemical products such as developers utilized in processing x-ray films. The Brazilian concern is presently producing PVA photo engraving "resist" and opaque ink for retouching negatives.

Write: Hevandro de Mattos, Taquary Comercio e Industria Ltda., Avenida Presidente Antonio Carlos 607, 9°, Rio de Janeiro, GB., Brazil. WTD. **P-70275.**

East Pakistan Development firm seeks partner for mine, cement plant projects

A foreign equity partner (either minority or majority) is currently being sought by the East Pakistan Industrial Development Corp. (EPIDC) for a new limestone mine and cement complex to be located at Jaipurhat in East Pakistan. A consortium of firms would be considered ideal for the three phases where foreign participation is desired; these are the shaft drilling, the supply of mining equipment and establishment of mining operations, and construction of the cement plant.

The EPIDC is a Government of East Pakistan holding company (not a government agency). A separate corporation is formed for each venture with EPIDC as either a minority or majority shareholder.

The Jaipurhat project, which will cost $70 million, is expected to have an annual production capacity of 600,000 tons of cement. East Pakistan's cement consumption is estimated to reach 2 million tons by the end of 1970. An existing plant in Sylhet and a new plant in Chittagong, scheduled to open by the end of 1969, should bring production to about 1 million tons.

Write: K. F. Rahman, Director (Planning), EPIDC, Motijheel Commercial Area, Dacca-2, East Pakistan. **P-70294.**

British company seeks to align with U.S. firm

A British electronics firm seeks a license to manufacture miniaturized electronic modules and systems, encapsulated to meet environmental conditions. Also of interest is the production, testing and marketing of instruments and electronic equipment.

The British firm specializes in high density electronic packaging using microwelding and reflow soldering assembly techniques.

Write: Seslab Electronics Ltd., Radley House, Solent Road, Havant, Hampshire, England. WTD. **P-70301.**

French firm seeks licenses

A French plastics firm seeks licenses to manufacture soft, semi-rigid and rigid polyurethane foam products and injection molded plastic laboratory equipment. Currently, the company produces polyurethane plastic foam and plastic moldings and coating for industrial purposes.

Write: C. A. Greiner and Fils, Chemin de l'industrie, 67 Bischwiller, France. WTD. **P-70287.**

World Trade Opportunities

Colombia highway paving projects open for firms to enter prequalifications

The Highway Fund of the Republic of Colombia indicates that during the first three months of 1970 bidding documents will be available for the paving of the following highways: Group A) two highway sections in the Pasto area (53 km.); Group B) five sections in the Neiva and Florencia areas (186 km.); Group C) six sections in the Cali area (68 km.); Group D) seven sections in the Armenia-Manizales area (122 km.); Group E) three sections in the Bogota area (135 km.); Group G) five sections in the Medellin area (133 km.); Group H) four sections in the Cucuta area (105 km.); Group I) three sections of the Bucaramanga-Santa Marta highway and two of the Magdalena-Cucuta highway (263 km.); Group J) one section of the Bucaramanga-Santa Marta highway and three sections of main highways in the Valledupar area (232 km.); Group K) four sections in the Cartagena area and one on San Andres Island (194 km.).

The construction work for these roads consists primarily of furnishing and placing subbase and crushed base materials with surface treatment, road mix or plant mix asphaltic paving. Road bed widening, drainage pipes, ditching, relocation, bridge widening and small bridges form a minor part of the proposed construction.

Construction contracts will be awarded by groups. The estimated construction periods for the groups range from 22 to 38 months and construction of the groups is expected to begin during the later half of 1970.

The Highway Fund has applied for a loan from the World Bank toward the cost of the paving program, and it is intended that proceeds of this loan will be applied to payments under the proposed contracts for which this invitation to prequalify is issued.

All contractors interested in taking part in the bidding may obtain the necessary pre-qualification documents from the Division of Programs and Contracts, Ministry of Public Works, Office No. 317, Bogota, Colombia or Tippetts-Abbett-McCarthy-Stratton, 345 Park Ave., New York, N.Y. 10022. Documents are expected to be available about November 1 and will be received until December 31.

Pakistan seeks suppliers of pumps, gates, equipment

Prequalification statements from potential suppliers are requested by the Project Manager, Leedshill-De Leuw, P.O. Box No. 316, EPWAPDA Building, Dacca-2, East Pakistan, consultant for the East Pakistan Water and Power Development Authority.

The supply and installation of the following is sought: 6 pumps of 200 cf.; 4 regulator gates, 15 feet high by 30 feet wide; 6 navigation lock gates 25.5 feet high by 20 feet wide; 24 sliding gates, 7 feet by 11 inches; 6 sliding gates, 5 feet by 5 feet; 24 flap gates, 6 feet by 4 feet; 2 flap gates, 9 feet by 5 feet; 1 hand-operated overhead crane; electrical apparatus, including power substation, transformers and related equipment.

The bid deadline is February 24, however, only prequalified bidders will be allowed to tender.

Prequalification forms are available from the General Industrial Equipment Division, BDSA-647, U.S. Dept. of Commerce, Washington, D.C. 20230 ★(202-967-5585) or, from Leedshill-De Leuw's office at 1256 Market St., San Francisco, Calif. 94102. Also tender documents may be obtained from Leedshill-De Leuw office in Dacca for $84.20.

Burma requests bids on carrier equipment

The Government of the Union of Burma, Posts and Telecommunications Stores, has issued Tender No. 3DGPT/3-1 for the supply of carrier equipment. The bid deadline is January 27.

Bids should offer 12 channel carrier telephone terminal equipment, and through carrier repeater equipment, carrier telegraph terminal equipment.

Copies of the tender announcement and specifications are available from the Embassy of the Union of Burma, 2300 S St. NW., Washington, D.C. 20008 or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

Korea seeks sound system, antennas, interphone devices

A paging and sound system and TV and radio antenna systems are sought by the Republic of Korea, Tender No. KFX-9283S. The bid deadline is December 6.

Bids should offer one complete paging and sound system, four TV antenna systems, one radio antenna system, one videophone system and one interphone system.

Copies of tender announcement and specifications are available from the Office of Supply Government of Republic of Korea, Seoul, Korea or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

Argentine irrigation project seeks intake, locking system

Agua y Energia Electrica invites bids for the supply and installation of automatic intake and emergency locking systems for the irrigation system at Colonia El Simbolar, Santiago de Lestero Province of Argentina. The budget for this project, partially financed by an Inter-American Development Bank loan, is 61.4 million Argentine pesos. The bid deadline is December 15.

Sets of conditions are available for 15,000 pesos each from Agua y Energia Electrica, Corrientes 531, Buenos Aires, Argentina.

Korea solicits bidding on laboratory, testing, varied other goods

Bids for laboratory, research, measuring, testing, office machines, photographic, printing, and other equipment is sought by the Republic of Korea. Various quantities including the following are requested: vacuum pumps, air compressors, tobacco cutting machines, moisture meters, commutator motors, tar collector, analytical balances, printing cabinet, film drying cabinet, electronic and hand operated calculators, circuit breakers, video tape recorders, photo typesetting machine, and many more.

The Tender No. is KFX-9297-S; bidding deadline is December 10. Bids should be submitted to: Office of Supply, Government of the Republic of Korea, Seoul, Korea. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939).

A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

Pakistan seeks items for autos, farm maintenance shop

The Directorate of Supply, Government of East Pakistan, 48 Motijheel Commercial Area, Dacca-2, Cable: "Supply", has issued Tender No. S-10/157/(69-70) for 168 items of equipment for automotive vehicles and a farm maintenance shop including: portable floor crane, hydraulic automatic lift, hand electric drills, cutaway diesel engines, centrifugal pump, gear puller, locking pliers, tappet adjusting wrenches, hydraulic maintenance kit, hydraulic truck jack, valve lifter, piston ring expander, heavy duty hacksaw, various tools and tool sets, feeler gauge blade and other maintenance equipment.

The bid deadline is 10 a.m. December 15. Tender documents are available from the above address for Rs. 10/- (U.S. $2.10) (not refundable) per set, or on a loan basis from the International Liaison and Trade Opportunities Staff, BDSA-541, Room 4057, Department of Commerce, Washington, D.C. 20230. ★(202-967-4674).

Korea issues tender for supply of communications equipment

The Republic of Korea has issued Tender No. KFX-9268N for the supply of communications equipment. The bid deadline is December 5.

Bids should offer 19 teletype writers with power supplies, eight telegraph terminals and all associated spare parts.

Copies of the tender announcement and specifications are available from the Office of Supply, Government of the Republic of Korea, Seoul, Korea or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

World Trade Opportunities Continued through page 47

The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodity classification. The three-digit numbers and commodity classifications are from the Standard Industrial Classification (SIC) Manual. The five-digit numbers under each heading are from the Numerical List of Manufactured Products, 1967 Census of Manufacturers, Bureau of the Census and are used extensively by government and industry in classifying products.

U.S. firms should also be aware that the listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the *Department of Commerce Export Control Regulations* or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

NOTE: The SIC Manual is available for $4.50; The Numerical List of Manufactured Products (MC67-1) for $1.75 and the Export Control Regulations are priced at $12 a year. These publications may be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or any of the 42 Department of Commerce Field Offices throughout the United States.

Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any trade relations.

● indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information may be borrowed by firms located in the U.S. from the Business and Defense Services Administration (BDSA), U.S. Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.

★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the International Liaison and Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230. The TM (trade mission) number is requested in correspondence. Requests for loan material should specify country and TM number.

WTD indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financial reputation, and other factors, are available for $2 each from the Bureau of International Commerce, BIC-924, U.S. Department of Commerce, Rm. 6059. Telephone: 202-967-4203. The date following the letters WTD refers to the date of issuance of the report. If WTD is in preparation, action will be completed on a priority basis upon receipt of request specifically identifying the trade opportunity involved.

Sales Leads for Exporters

Listed below are companies interested in buying U.S. products. Direct purchases are wanted unless a desire for an agency agreement is expressed.

012 Fruit, tree nut, vegetable farms

01234—SWEDEN—Potatoes for potato chips, minimum shipments 500 tons. Estrella, AB (manufacturer), Dagjamningsgatan 4, S-415 09 Goteborg N. WTD 10/69.

195 Small arms

19512 — SPAIN — Hunting rifles, shotguns. Diana Turba, S.L. (importer, distributor, retailer), Serrano 68 & 70, Madrid (1). WTD 9/69.

196 Small arms ammunition

19610 — SPAIN — Ammunition for hunting rifles, shotguns. Diana Turba, S.L. (importer, distributor, retailer), Serrano, 68 & 70, Madrid (1). WTD 9/69.

203 Canning, preserving foods

20310 — SPAIN — Canned and cured sea foods. Dymer, S.A. (importer, distributor), Doctor Fleming, 53, Madrid (16). WTD 10/69.

20330 — SPAIN — Canned fruits, vegetables. Dymer, S.A. (importer, distributor), Doctor Fleming, 53, Madrid (16). WTD 10/69.

20350—SPAIN—Pickles, sauces, salad dressings. Dymer, S.A. (importer, distributor), Doctor Fleming, 53, Madrid (16). WTD 10/69.

221 Broad woven fabric mills, cotton

22117—SWEDEN—Cotton, cotton/manmade fiber piece goods for women's blouses, house dresses. SILCO AB (manufacturer), Johanneslustgatan 1, S-212 28 Malmo. WTD 10/69.

222 Broad woven fabric mills, manmade fiber, silk

22218—SWEDEN—Manmade fiber fabrics for women's blouses, house dresses. SILCO AB (manufacturer), Johanneslustgatan 1, S-212 28 Malmo. WTD 10/69.

229 Textile goods

22940 — SPAIN — Processed textile wastes (waste of new processed textiles—nylon, acrylic and synthetic fibers, etc.). Borras Encar, S.L. (importer, distributor), Carretera de Benamen s/n, Muro de Alcoy, Alicante. WTD 6/69.

254 Partitions, shelving, lockers, office, store fixtures

25420—TRINIDAD—Aluminum office partition systems in sections to be cut by local firm in accordance with local requirements. B. H. Rose Ltd. (importer, manufacturer, retailer), 6-10 London St., Port of Spain. WTD in preparation.

282 Cellulosic fibers

● **28200—IRAN**—Bids are requested by the Iranian Tobacco Company for cigarette filter rods: 30 million cellulosic rods and 20 million cellulose acetate rods. Bids are due by 9:00 a.m., Jan. 5, at the Iranian Tobacco Company, Tehran. Tenders are available on a loan basis from Chemicals Division, BDSA-665, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-3529). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

287 Agricultural chemicals

● **28700—MALAWI**—D.D.T., 75%, 270,000 3 1/3 oz. sackets; D.D.T., 75%, 3,500 lbs. in bulk; carbaryl, 85%, 455,000 3 oz. sackets; and carbaryl, 85%, 4,500 lbs. in bulk. Tender number 834; bid deadline Dec. 5. Tenders should be based on delivered Blantyre price in Malawi pounds sterling. Delivery date should be given. GOM Central Tender Board, Box 588, Blantyre. Tender with specifications enroute from Blantyre to Chemicals Division, arrival date unknown. Chemicals Division, BDSA-665, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-3910).

307 Plastic products

30796 — TRINIDAD — Suspended ceiling panels and tiles in fiber glass. Suspended ceiling material should be in sections for cutting and fitting according to local requirements; ceiling tiles should be in squares from 2 ft. to 12 in. B. H. Rose Ltd. (importer, manufacturer, retailer), 6-10 London St., Port of Spain. WTD in preparation.

322 Glass, glassware

32291 — PAKISTAN — Glassware. Requests catalogs, quotations, C. & F., Karachi. Mahboob Bakhsh (importer), 10 Saleh Mohammed St., Opp. Gordhandas Market, Karachi-2. WTD 9/69.

331 Steel mill products

● **33100—INDIA**—Stainless steel bars, 18 metric tons of various sizes. Tender #RE(S)/11 of 1969; bid deadline Dec. 1. Ministry of Railways, New Delhi. Copies of tender documents available from India Supply Mission, 2536 Massachusetts Ave. NW., Washington, D.C. 20008.

● **33100 — IRAN** — Wheels, 116 for heavy duty track car. Tender #237/48; bid deadline Dec. 17. Iranian State Railways, Tehran. Copies of tender documents available from Purchasing Department, Iranian State Railways, Tehran, for 100 RLS ($1.30 U.S. $).

● **33100 — MALAYSIA** — Galvanized steel tubes, 800,000 feet of medium and heavy grades of various diameters in random length of 19-21 feet, screwed and socketed. Tender #PKR.S. 26/224/1; bid deadline Dec. 1. Public Works Department, Kuala Lumpur. Copies of tender documents available from Iron and Steel Division, BDSA-669, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2363).

335 Rolling, drawing, extruding of nonferrous metals

● **33500—INDIA**—Supply of 1250 M/T of copper covered steel wire size 3.25 mm dia Grade 1, 40% conductivity to BSS: 4087/1966. Tender No. ES10/202/30/128/Cell-1140. Contact India Supply Mission, 2536 Massachusetts Ave. NW., Washington, D.C. 20008. Bid deadline Dec. 23.

33574 — IRAN — Communication wire and cable. Specifications, quantities to be determined through direct correspondence. Zoubin Co., Ltd. (importer, distributor, agent), 754 Saadi Ave., Tehran. WTD 1069.

353 Construction, mining, materials handling machinery, equipment

35313—SPAIN—Parts and attachments for tractors-tracklaying, contractors off-highway. Bafer (Juan Jimenez Cobo) (importer, distributor), Virgen del Puig, 1-10-1. WTD 10/69.

35318 — IRAN — Construction machinery, equipment of all kinds. Specifications, quantities to be determined through direct correspondence. Zoubin Co. Ltd. (importer, distributor, agent), 754 Saadi Ave., Tehran. WTD 10/69.

35319—SPAIN—Parts and attachments for construction machinery, equipment, sold separately. Bafer (Juan Jimenez Cobo) (importer, distributor), Virgen del Puig, 1-10-1. WTD 10/69.

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

354 Metalworking machinery

35415—AUSTRALIA—Rotor treating lathe, specifications as follows: capable of accommodating armatures up to 6 ft. in diameter and of at least 13 ft. in length; high speed type, i.e. approximately 200 rpm.; having an attachment suitable for milling the commutator segments; also having an attachment for attaching fibre-glass bands around the armature windings; equipped with screw cutting; capable of continuous heavy work. McPhersons Ltd., Machine Tool Div. (importer, distributor, manufacturer), 2 Buckhurst St., South Melbourne, Victoria 3205, Australia. Attn: Peter R. Sproat. WTD 10/69.

35485 — TRINIDAD — Machinery to manufacture stainless steel wire-wrapped screens for use in water wells. Requests data on type, size of equipment, price quotations. Hydrocarb (Trinidad) Ltd. (importer, retailer), P.C.O.L. Camp, Fyzabad. WTD 7/69.

355 Special industry machinery

35511 — ECUADOR — Ice cream freezers. Comercial Importadora J. J. Medina Cia. Ltda. (importer, distributor, retailer), P.O. Box 707, Guayaquil. WTD 4/69.

35552—ECUADOR—One automatic magazine binding machine with cutting device at outlet end. (Approximate monthly mazagine circulation: 165,000 copies.) Editores Nacionales S.A. (editors), P.O. Box 1239, Guayaquil. WTD 8/69.

35552 — INDONESIA — Intertype machines for newspapers; one or two units. Immediate delivery. Pertjetakan Kumango (printers, newspaper publishers), Djalan Kumango 41/PO Box No. 87, Medan. WTD in preparation.

357 Office, computing, accounting machines

● **35700 — KOREA** — Supply of copy machines, also phase contrast assembly with reproduction apparatus. Tender No. KFX-9290-S; bid deadline Dec. 11. Requested by the Office of Supply, Government of the Republic of Korea, Seoul, Korea. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

358 Service industry machines

35853—GERMANY—Refrigerating and cooling systems as well as units for industrial, medical, laboratory use. Thalheimer-Kuehlung (manufacturer, exporter), P.O. Box 40, D-7090 Ellwangen/Jagst. WTD 11/69.

361 Electric transmission, distribution equipment

● **36100—KOREA**—Supply of synchronoscope dual tracer unit and accessories to be used for measuring two input waveforms. Tender No. KFX-9298-S (Part III); bid deadline Dec. 2. Requested by the Office of Supply, Government of the Republic of Korea, Seoul, Korea. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

362 Electrical industrial apparatus

● **36200 — THAILAND** — Supply 40 sets Power Capacitor, outdoor primary voltage unit. Tender No. MEA-PSD-175, bid deadline December 12. Purchase and Stores Department, Metropolitan Electricity Authority, 121 Chakrapetch Road, Bangkok 2, Thailand. Specifications available from the Power & Electrical Equipment Division, BDSA, Room 4124, Department of Commerce, Washington, D.C. 20230 ★

363 Household appliances

36311 — ECUADOR — Electric household ranges, free standing, under 23 in. in width, apartment house type. Comercial Importadora J. J. Medina Cia. Ltda. (importer, distributor, retailer), P.O. Box 707, Guayaquil. WTD 4/69.

36322—ECUADOR—Home freezers, 8.4 to 14.4 cubic ft., chest type. Comercial Importadora J. J. Medina Cia. Ltda. (importer, distributor, retailer), P.O. Box 707, Guayaquil. WTD 4/69.

36331—ECUADOR—Washing machines, mechanical, standard size, electrically driven, fully automatic. Comercial Importadora J. J. Medina Cia. Ltda. (importer, distributor, retailer), P.O. Box 707, Guayaquil. WTD 4/69.

36344—PAKISTAN—Electrical appliances. Requests catalogs, quotations, C. & F., Karachi. Mahboob Bakhsh (importer), 10 Saleh Mohammed St., Opp. Gordhandas Market, Karachi-2. WTD 9/69.

36393—ECUADOR—Dishwashing machines, portable type, including convertible type. Comercial Importadora J. J. Medina Cia. Ltda. (importer, distributor, retailer), P.O. Box 707, Guayaquil. WTD 4/69.

372 Aircraft, parts

37291—FRANCE—Aircraft equipment, components, replacement and spare parts and accessories, as well as supplies of all types designed for utilization on light-duty passenger airplanes (up to 300 HP). Descriptive literature, price lists requested. Sirbain (Ets. P.) (importer, distributor, agent), 61 Rue Georges-Chaulet, 40- Dax, Landes. WTD in preparation.

381 Engineering, laboratory, scientific, research instruments, equipment

● **38100—BURMA**—Supply of drafting instruments and equipment including rules, tape printers, ink markers, graph paper, drawing paper, lettering sets, mounting cloths, binding tape, pens and pencils, etc. Tender No. 102/90; bid deadline Dec. 31. Requested by the Director-General, Mineral Development Corp., Rangoon, Burma. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

● **38100—BURMA**—Supply of drafting in-

struments including compasses, pen and pencils, contour pens, lettering sets. Tender No. 118/90, bid deadline Dec. 31. Requested by the Director-General, Mineral Development Corp., Rangoon, Burma. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

382 Instruments for measuring, controlling, indicating physical characteristics

● **38200 — KOREA** — Supply of four beam transducer, tide gage, current meter, and chart paper. Tender No. KFX-9285-S; bid deadline Dec. 8. Requested by the Office of Supply, Government of the Republic of Korea, Seoul, Korea. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

383 Optical instruments, lenses

● **38300—BURMA**—Supply of gem testing equipment including spectroscope, long range UV lamp, high intensity lamp, color fitter, specific gravity testing set and indicators, immersion cells, etc. Tender No. 69/90; bid deadline Dec. 15. Requested by the Director-General, Mineral Development Corp., Rangoon, Burma. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

384 Surgical, medical, dental instruments, supplies

● **38400—KOREA**—Supply of major operating table; tables with removable tray for autoclaving; intensive care beds; treatment furniture; three-way adjustment bed; automatic brewing machine; and other items. Tender No. KFX-9298-S (Part II); bid deadline Dec. 2. Requested by the Office of Supply, Government of the Republic of Korea, Seoul, Korea. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

386 Photographic equipment, supplies

● **38600—KOREA**—Supply of 36 items in various quantities of repair parts for 8 mm projector; 40 sets of super 8 mm sound projector with accessories; 65 sets portable generator with spare parts and accessories. Tender No. KFX-9293-S, bid deadline Dec. 9. Requested by the Office of Supply, Government of the Republic of Korea, Seoul, Korea. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

391 Jewelry, silverware, plated ware

39142—PAKISTAN—Cutlery. Requests catalogs, quotations, C. & F., Karachi. Mahboob Bakhsh (importer), 10 Saleh Mohammed St., Opp. Gordhandas Market, Karachi-2. WTD 9/69.

394 Toys, amusement, sporting goods

39410—PAKISTAN—Toys. Requests catalogs, quotations, C. & F., Karachi. Mahboob Bakhsh (importer), 10 Saleh Mohammed St., Opp. Gordhandas Market, Karachi-2. WTD 9/69.

39410—SWEDEN—All kinds of better tovs with brand names. Broderna Ivarsson AB (BRIO-Bolagen) (importer, distributor, manufacturer, agent), S-283 00 Osby. WTD 10/69.

39490—SPAIN—Sporting and athletic goods, n.e.c., especially hunting and fishing tackle, equipment. Diana Turba, S.L. (importer, dis-

U.S. DEPARTMENT OF COMMERCE—FIELD OFFICES

Information and advice is available from these offices on: foreign markets for U.S. products and services, economic facts on foreign countries, firms with marketing facilities in foreign countries, trade and investment opportunities abroad, Government financing aid to exporters, foreign exchange regulations and procedures, export and import statistics.

ALBUQUERQUE, N. MEX., 87101, U.S. Courthouse. Area Code 505, 843-2386.

ANCHORAGE, ALASKA, 99501, 412 Hill Bldg., 632 Sixth Ave. Area Code 907, 272-6531.

ATLANTA, GA., 30303, 4th Floor Home Savings Bldg., 75 Forsyth St. N.W. Area Code 404, 526-6000.

BALTIMORE, MD., 21202, 305 U.S. Customhouse, Gay and Lombard Sts. Area Code 301, 962-3560.

BIRMINGHAM, ALA., 35205, Suite 200-201, 908 S. 20th St. Area Code 205, 325-3327.

BOSTON, MASS., 02203, Room 510, John Fitzgerald Kennedy Federal Bldg. Area Code 617, 223-2312.

BUFFALO, N.Y., 14203, 504 Federal Bldg., 117 Ellicott St. Area Code 716, 842-3208.

CHARLESTON, S.C., 29403, Federal Bldg., Suite 631, 334 Meeting St. Area Code 803, 577-4171.

CHARLESTON, W. VA., 25301, 3000 New Federal Office Bldg., 500 Quarrier St. Area Code 304, 343-6181 Ext. 375 and 376.

CHEYENNE, WYO., 82001, 6022 Federal Bldg., 2120 Capitol Ave. Area Code 307, 634-5920.

CHICAGO, ILL., 60604, 1486 New Federal Bldg., 219 South Dearborn St. Area Code 312, 353-4400.

CINCINNATI, OHIO, 45202, 8028 Federal Office Bldg., 550 Main St. Area Code 513, 684-2944.

CLEVELAND, OHIO, 44114, Room 600, 666 Euclid Ave. Area Code 216, 522-4750.

DALLAS, TEX., 75202, Room 1200, 1114 Commerce St. Area Code 214, 749-3287.

DENVER, COLO., 80202, 16419 Federal Bldg., 20th and Stout Sts. Area Code 303, 297-3246.

DES MOINES, IOWA, 50309, 609 Federal Bldg., 210 Walnut St. Area Code 515, 284-4222.

DETROIT, MICH., 48226, 445 Federal Bldg. Area Code 313, 226-6088.

GREENSBORO, N.C., 27402, 258 Federal Bldg., W. Market St. P.O. Box 1950. Area Code 919, 275-9111.

HARTFORD, CONN., 06103, Room 610-B, Federal Office Bldg., 450 Main St. Area Code 203, 244-3530.

HONOLULU, HAWAII, 96813, 286 Alexander Young Bldg., 1015 Bishop St. Area Code 808, 546-5977.

HOUSTON, TEX., 77002, 5102 Federal Bldg., 515 Rusk Ave. Area Code 713, 226-4231.

JACKSONVILLE, FLA., 32202, P.O. Box 35087, 400 W. Bay St. Area Code 904, 791-2796.

KANSAS CITY, MO., 64106, Room 2011, 11 Walnut St. Area Code 816, 374-3141.

LOS ANGELES, CALIF., 90024, 11th Floor, Federal Bldg., 11000 Wilshire Blvd. Area Code 213, 824-7591.

MEMPHIS, TENN., 38103, 710 Home Federal Bldg., 147 Jefferson Ave. Area Code 901, 534-3214.

MIAMI, FLA., 33130, Rm. 821, City National Bank Bldg., 25 W. Flagler St. Area Code 305, 350-5267.

MILWAUKEE, WIS., 53203, Straus Bldg., 238 W. Wisconsin Ave. Area Code 414, 272-8600.

MINNEAPOLIS, MINN., 55401, 306 Federal Bldg., 110 S. Fourth St. Area Code 612, 725-2133.

NEW ORLEANS, LA., 70130, 909 Federal Office Bldg., S., 610 South St. Area Code 504, 527-6546.

NEW YORK, N.Y., 10007, 41st Floor, Federal Office Bldg., 26 Federal Plaza, Foley Sq. Area Code 212, 264-0634.

PHILADELPHIA, PA., 19107, Jefferson Bldg., 1015 Chestnut St. Area Code 215, 597-2850.

PHOENIX, ARIZ., 85025, 5413 New Federal Bldg., 230 N. First Ave. Area Code 602, 261-3285.

PITTSBURGH, PA., 15222, 2201 Federal Bldg., 1100 Liberty Ave. Area Code 412, 644-2850.

PORTLAND, ORE., 97204, 217 Old U.S. Courthouse, 520 S.W. Morrison St. Area Code 503, 226-3361.

RENO, NEV., 89502, 2028 Federal Bldg., 300 Booth St. Area Code 702, 784-5203.

RICHMOND, VA., 23240, 2105 Federal Bldg., 400 N. 8th St. Area Code 703, 649-3611.

ST. LOUIS, MO., 63103, 2511 Federal Bldg., 1520 Market St. Area Code 314, 622-4243.

SALT LAKE CITY, UTAH, 84111 3235 Federal Bldg., 125 S. State St. Area Code 801, 524-5116.

SAN FRANCISCO, CALIF., 94102, Federal Bldg., Box 36013, 450 Golden Gate Ave. Area Code 415, 556-5864.

SAN JUAN, P.R., 00902, Room 100, Post Office Bldg. Phone 723-4640.

SAVANNAH, GA., 31402, 235 U.S. Courthouse and Post Office Bldg., 125-29 Bull St. Area Code 912, 232-4321.

SEATTLE, WASH., 98104, 8021 Federal Office Bldg., 909 First Ave. Area Code 206, 583-5615.

tributor, retailer), Serrano, 68 & 70, Madrid (1). WTD 9/69.

395 Pens, pencils, other office, artists' materials

● **39500—BRAZIL**—Supply of carbon paper with plastic base, as follows: 10,000 sheets, 56 x 44 cm.; 150,000 sheets, 33 x 22 cm.; packaged in boxes of 100 sheets each; bid deadline Dec. 20. For terms and specifications contact the purchaser: Cia. Paulista de Estradas de Ferro, Depto. de Materiais, Jundiai, Sao Paulo, Brazil.

399 Manufacturing industries

39992 — TUNISIA — Coin operated amusement machines, not necessarily latest models. Firm would particularly welcome any offer of partnership either by supplying machines or investing in cash. Correspondence requested in French. Pleasure Dome (importer), c/o Hotel des Orangers, Hammamet. WTD 10/69.

Future Construction

For maximum assistance to those interested in overseas construction projects, U.S. Foreign Service officers report them as soon as possible, often in early planning stages. Some may not reach completion as originally proposed. In such cases additional information is published as it is obtained.

ARGENTINA—Hidronor S.A., a Government-owned corporation in charge of the El Chocon-Cerros Colorados Hydroelectric Project, is inviting firms interested in **bidding for the supply and installation of 18 arc spillway gates and ancillary equipment** to submit their prequalifications no later than Jan. 16. Interested American firms may correspond directly with Hidronor S.A., Av. L. N. Alem 1074, Piso 4°, Buenos Aires. Copies of conditions and technical specifications, both in Spanish and English, will be available by mid-November at a cost of 50,000 Argentine pesos per set. (U.S.$1=350 Argentine pesos).

EQUATORIAL GUINEA—Construction of a new port south of Bata, Rio Muni, Equatorial Guinea, is to begin in November. The new $10 million port which will be built by the Franco-Spanish Dredging and Public Works Co., Inc., will include a 300 foot pier plus loading equipment and storage areas and will handle lumber and cacao and other cargo originating in nearby Gabon and Cameroon.

GERMANY—Lufthansa the West German airline has decided to **construct a new International Training Center, the Sales and Traffic School at Seeheim-Bergstrasse** (near Darmstadt). By the end of 1971 the DM 15,000,000 ($3,750,000) project is to replace a similar but smaller establishment now provisionally accommodated on the outskirts of the Hamburg airport, Fuhlsbuttel.

This new training center will be built in a park-like area of 7,410,000 acres and, when complete, will accommodate 350 trainees. The center will consist of boarding rooms for the participants, 29 class-rooms, 26 meeting rooms, conference room, cafeteria, dining room, and several administration rooms. Lufthansa plans to hire more than 60 teachers to train about 5,000 persons annually in four week courses.

The trainees will consist of all categories of Lufthansa personnel. Also travel and freight agents engaged in business with Lufthansa will be trained there. New employees will get acquainted with their future work, while in-service training will be provided for advanced personnel and managers. The training will also involve practical work which will be carried out at the near-by Rhein-Main Airport.

TAIWAN—The Chinese Petroleum Corporation (CPC) is inviting qualified contractors to **submit pre-qualification applications for bidding on the detailed design procurement and/or supply of materials and the supervision of the construction of a Di Methal Terephthalate plant at Kaohsiung, Taiwan.** The plant will have an annual capacity of 26,400 metric tons.

Copies of the invitation including details on documents which must be submitted to obtain pre-qualification will be available from the Construction and Building Materials Division, Business and Defense Services Administration, Room 4813, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-3602). Applications are to be submitted to Jerome S. N. Hu, President (CPC), 83 Chunghwa Rd., Taipai, Taiwan, by December 15 but preferably by December 1.

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

Republic of Korea desires time-division multiplex items

Tender No. KFX-9294-S for the supply of time division multiplex equipment has been issued by the Office of Supply for the Government of the Republic of Korea. Bid deadline is December 12.

Bids should offer one 6 unit Synchronous time-division multiplex telegraph system; 10 millisecond meters, 10 portable dial testers, and 54 crystals for radio and carrier equipment.

Copies of the tender announcement and specifications are available from the Procurement Office, Korean Consulate-General, 9 E. 80th St., New York, N.Y. 10021, or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

Malaysia extends deadline

The Director General of Telecommunications has extended the deadline on Tender No. 7983A for the supply of subscriber carrier equipment from Nov. 12 until Nov. 26. (INTERNATIONAL COMMERCE, Sept. 22, page 32; Oct. 13, page 40).

Korea invites tenders on carrier equipment

The Office of Supply for the Government of the Republic of Korea has issued Tender No. KFX-9261N for the supply of carrier equipment parts and test equipment. The bid deadline is December 2.

Bids should offer 20 repeater testers, varying quantities of carrier equipment parts for repair and maintenance of carrier telegraph equipment manufactured by Fujitsu LTD or an equivalent manufacture.

Copies of the tender announcement and specifications are available from the Procurement Attache, Korean Consulate-General 9, E. 80th St., New York, N.Y. 10021, or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

Karachi Port Trust issues tender for electrical supplies

The Board of Trustees, Karachi Port Trust, requests tenders for supply and erection of materials for an electric substation, cable distribution, road lighting, floodlighting, etc., on berths 22 to 24, West Wharf, Karachi. Tender No. BP/P/93; the bid deadline is Dec. 18.

One copy of the specifications is available for reference only, not for loan, from the Power & Electrical Equipment Division, BDSA, Room 4124, Department of Commerce, Washington, D.C. 20230 ★(202-967-4241). Additional specifications are available for approximately $44.00 (U.S.) from the Chief Mechanical Engineer, Karachi Port Trust, Berth No. 7, Keamari, Karachi, Pakistan. IBRD financing.

Little things make the difference

"Quite often the difference in being successful and not being successful in a foreign market is that the successful firm is aware of and paying attention to the little things.

"These can be:

"Handling all overseas correspondence as quickly as possible;

"The ability to be understood in writing;

"Making certain that the sales literature and technical bulletins are in the language of the country;

"And tailoring the product to the customer's needs.

"To be successful in international trade takes more than a product and a desire to sell it. Often it is these little things that can make the big difference in overseas marketing."

—V. J. Borland, Export Manager, Quaker State Oil Refining Corp.

Sales Representation

The firms listed below are interested in representing U.S. firms in the areas indicated. Exclusive distributorship for these commodities is wanted only if specified.

203 Canning, preserving foods

20310 — NICARAGUA — Canned and cured seafoods, including soups. Requests prices. Julio Martinez, Repuestos, S.A., Departamento de Representaciones (importer, distributor, agent), Apartado Postal 1949, Managua. WTD 7/69.

20338 — NICARAGUA — Jams, jellies, preserves; all kinds. Requests catalogs, price lists. Julio Martinez, Repuestos, S.A., Departamento de Representaciones (importer, distributor, agent), Apartado Postal 1949, Managua. WTD 7/69.

227 Floor covering mills, products

22710—SWITZERLAND—Woven and nonwoven synthetic backing used for manufacture of tufted carpets, punched needleloom carpets. Tata AG, Attn: Mr. Paul O. Egli (importer, distributor, agent), Poststrasse 20, 6300 Zug. WTD in preparation.

283 Drugs

28349—TRINIDAD—Drug lines for veterinary use. Geo. F. Huggins & Co. Ltd. (importer, distributor, retailer), 72-74 South Quay, Port of Spain. WTD 10/69.

299 Products of petroleum, coal

29926 — ITALY — Molybdenum bisulphide based lubricants. Giuseppe Tagliabue S.p.A. (distributor, manufacturer), Via Vicinale della Briosca, Casella Postale 10, Villasanta (Milan). WTD 5/69.

307 Plastic products

30790—FRANCE—Synthetic sausage casings. Boyauderie Meridionale (distributor, agent), 67 Rue de Bourrassol, 31- Toulouse. WTD 10/69.

317 Handbags, other personal leather goods

31720 — NICARAGUA — Personal leather goods, such as vanity cases, cosmetic bags, pocket secretaries. Requests price lists, descriptive literature. Julio Martinez, Repuestos, S.A., Departamento de Representaciones (importer, distributor, agent), Apartado Postal 1949, Managua. WTD 7/69.

322 Glass, glassware

32291—NICARAGUA—Table, kitchen, art and novelty glassware. Requests descriptive literature, prices. Julio Martinez, Repuestos, S.A., Departamento de Representaciones (importer, distributor, agent), Apartado Postal 1949, Managua. WTD 7/69.

326 Pottery, related products

32620—NICARAGUA—Vitreous china, porcelain table and kitchen articles; household. Requests descriptive literature, prices. Julio Martinez, Repuestos, S.A., Departamento de Representaciones (importer, distributor, agent), Apartado Postal 1949, Managua. WTD 7/69.

357 Office, computing, accounting machines

35733—NORWAY—Electronic recording instruments for process control. Amund Clausen A/S (importer, manufacturer, agent), Storgaten 38, 3900 Porsgrunn. WTD in preparation.

382 Instruments for measuring, controlling, indicating physical characteristics

38213—NORWAY—Ultrasonic process control equipment. Amund Clausen A/S (importer, manufacturer, agent), Storgaten 38, 3900 Porsgrunn. WTD in preparation.

38216—REPUBLIC OF SOUTH AFRICA —Electronic forest fire detecting equipment. Monetary Machines (Pty.) Ltd. (agent), 13 Central Rd., Fordsburg, Johannesburg. WTD in preparation.

384 Surgical, medical, dental instruments

38410 — SPAIN — Surgical and medical instruments, supplies. Mr. Herbert Schlegel (agent), Plaza de Lasala, 3, San Sebastian, Guipuzcoa. WTD 10/69.

38420 — SPAIN — Surgical appliances, supplies. Mr. Herbert Schlegel (agent), Plaza de Lasala, 3, San Sebastian, Guipuzcoa. WTD 10/69.

38430—SPAIN—Dental equipment, supplies. Mr. Herbert Schlegel (agent), Plaza de Lasala, 3, San Sebastian, Guipuzcoa. WTD 10/69.

394 Toys, amusement, sporting goods

39410 — NICARAGUA — Games and toys, such as toy trains and equipment; mechanical, structural and model construction sets; metal and plastic toys. Requests descriptive literature, prices. Julio Martinez, Repuestos, S.A., Departamento de Representaciones (importer, distributor, agent), Apartado Postal 1949, Managua. WTD 7/69.

39491—NICARAGUA—Fishing tackle and equipment; all types. Requests descriptive literature, price lists. Julio Martinez, Repuestos, S.A., Departamento de Representaciones (importer, distributor, agent), Apartado Postal 1949, Managua. WTD 7/69.

Visiting Buyers and Officials

Scheduled arrival dates and U.S. addresses indicated

AUSTRALIA—Gordon S. Franklin, Director, Loscoe Sales & Service Pty. Ltd., 111 Cabramatta Road, Cabramatta, N.S.W. 2166, **interested in importing into Australia new U.S. lines of automotive parts and accessories.** Nov. 22 via New York for 8 days. c/o New South Wales Center, 680 Fifth Ave., New York. N.Y. 10019. Itinerary; New York, Cleveland, Los Angeles, possibly San Francisco and Chicago. WTD in preparation.

ISRAEL—Mayer Svirsky, Manager, Industrial & Agricultural Design Ltd., 44 Hameginim Ave., or P.O. Box 4202, Haifa, **interested in modern packaging machinery, related equipment for picking and packaging fruit and vegetables and requesting technical information.** First week of Nov. via New York for 1 mo. c/o Dr. Ed. E. Jaffe, 552 Winchester Ave., Union, N.J. 07083. Itinerary: New York, cities in Florida, South Carolina, Georgia, Washington, Michigan and Pennsylvania. WTD 10/64 under revision.

JAPAN—Ryoji Ikeda, Manager of Foods Laboratory, and Kihachiro Onozato, Manager of Foods Sales Department, Toyo Kako Co. Ltd., 30 Hama-cho 2-chome Nihombashi, Chuo-ku, Tokyo, **interested in representing U.S. manufacturer of diet foods in the Japanese market.** Nov. 16 via San Francisco for 2 week visit. c/o San Francisco Branch, Mitsubishi International Corp., 14th Fl., International Bldg., 601 California St., San Francisco, Calif. 94108. Itinerary: San Francisco to attend the International Soft Drink Industry Exposition, others as required. WTD in preparation.

NETHERLANDS—L. F. J. Bake, Managing Director, Chemimpo N.V., 14 a Sarphatistaat, Amsterdam, **interested in agencies for chemical products:** kyclic coal tar crudes, pesticides, other synthetic organic agricultural chemicals, ethyl alcohol, other industrial organic chemicals, aluminum oxyde, chrome colors, other inorganic pigments, chemical catalytic preparations, synthetic resins for protective coatings, synthetic rubber, biological products for human and veterinary use, medicinal chemicals, botanical products, soap and detergents, except specialty cleaners, surface active agents, finishing agents, sulfonated oil, all types of gum and wood chemicals, gelatin except ready-to-eat desserts, fatty acids, essential oils, concrete curing and floor hardening materials, metal treating compounds, water proofing compounds, liquified refinery gases and aromatics and plastic shipping containers.

Also interested in acting as a sub-contractor for manufacturer of small quantities of chemical specialties. Early Nov. via New York for 4 weeks. c/o Department of Commerce Field Offices en route. Itinerary: New York, Washington, D.C., Chicago, Minneapolis, Houston, Los Angeles; itineray flexible. WTD in preparation.

SOUTH AFRICA—Martin Eisenstein, Johannesburg Consolidated Investment Co. Ltd., Consolidated Bldg., Cor. Fox & Harrison Sts., or P.O. Box 590, Johannesburg, **interested in U.S. equipment and machinery for salt production from salt water, including salt harvesting and washing machinery and requesting technical information on new methods of making salt from sea water, including vacuum salt production.** Approx. Nov. 15 via San Francisco for 3 weeks. c/o Mrs. E. E. Petersen, 1704 W. Juneway Terrace, Chicago, Ill. 60626. Itinerary: San Francisco, San Diego, Salt Lake City, Chicago, New York. WTD 2/69.

URUGUAY—Miguel Guareschi, Agricultural Engineer, A.N.C.A.P. (Uruguayan Govt. Agency), Calle Paysandu y Av. Agraciada, Montevideo, **interested in sugar cane cultivation and requesting technical information.** Nov. 15 via Washington, D.C. for 30 days. c/o Uruguayan Embassy, 1918 F St., NW., Washington, D.C. 20006 (202-628-1336). Itinerary: Washington, D.C., Beltsville, Md., Baton Rouge, La., Everglade and Clewiston, Fla., Rio Piedras, Puerto Rico.

VENEZUELA—Aramando Behrens Ducharne and Carlos A. Pieraldi, representing Nautics Inc., Edificio Santa Fe, Oficina 51, Sur 21-El Conde, Caracas, **interested in importing U.S. spare parts of marine hardware and electrical systems into Venezuela and requesting technical information.** Nov. 10 via New York for 15 days. c/o Lexington Hotel, Lexington Ave. & E. 48th St., New York, N.Y. 10017. Itinerary: Boston, Hartford, Pittsburgh, New York, Baltimore, Richmond, Greensboro, Savannah, Jacksonville, Miami. WTD in preparation; visitors also have interest in Phisis Ltd., see WTD 4/68.

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

Colombia issues tenders on turnkey arrangement for transmission lines

The Colombia Institute of Electric Power (Instituto Colombiano de Energia Electrica) and the Electric Corporation of the Atlantic Coast (Corporacion Electrica de la Costa Atlantica) are requesting tenders for the design, manufacture, supply, construction, testing, and commercial start-up of transmission lines for the First Stage of the Termonorte System. Provisions include a turnkey contract and financing provided by the bidders.

The following is a description of these transmission lines: Number 202-03 calls for a line from Barranquilla to Santa Marta, 110 KV, 1 circuit; and lines from Termonorte to Barranquilla—to the Western Substation, 110 KV, 2 circuits, to the La Union Substation, 110 KV, 1 circuit, and to the El Rio Substation, 110 KV, 1 circuit.

Estimated budget of 15,000,000 Colombian pesos ($1,400,000). Required guarantee bond of 1,750,000 ($100,000). Number 203-04 calls for lines between Barranquilla and Sabanalarga and Cartagena, 220 KV, 2 circuits. Estimated budget of 21,000,000 Colombian pesos ($1,600,000). Required guarantee bond of 2,625,000 Colombia pesos ($150,000).

Interested parties may obtain the specifications at Office No. 313, Instituto Colombiano de Energia Electrica, Carrera 13, No. 27-00, and at the offices of ACIC, Carrera 13, No. 48-47, Piso 3, Bogota, Colombia. These documents are also available at the offices of Corporacion Electrica de la Costa, Edificio de la Camara de Comercio, Piso 2, Barranquilla, Colombia.

The cost of each set of Number 203-03 and of Number 203-4 is 3,000 Colombian pesos ($170) for the first copy and 1,500 Colombian pesos ($85) for each additional copy. These fees will not be reimbursed.

All bids must be submitted to the Office of the Secretary General of the Colombia Institute of Electric Power at the above address by 3 p.m., January 12.

Korean Office of Supply seeks sets of public address systems

The Office of Supply for the Government of Republic of Korea has issued Tender No. KFX-9302-S for the supply of public address systems. The bid deadline is December 4.

Bids should offer 39 sets of public address equipment, comprising amplifier (including AM/FM tuner) record player, loudspeakers, microphones and inverters.

Copies of the tender announcement and specifications are available from the Procurement Office, Korean Consulate-General, 9 E. 80th St., New York, N.Y. 10021, or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

Syria invites bids on supply of telecommunications system

The General Petroleum Establishment, Syrian Arab Republic, has issued a tender for the supply and installation of a telecommunications system. The bid deadline is December 20, 1969.

Bids should offer a system to link the main centers of Homs-Damascus-Aleppo-Tartous and Lattakia and the pumping stations by a UHF radio link comprising voice frequency telephone channels, teleprinter channels and telemetry channels. Copies of the tender announcement and specifications are available from the Ministry of Petroleum, Electricity and Execution of Industrial Projects, General Petroleum Establishment, Damascus Syrian Arab Republic. A single copy is available on a short-term loan basis to firms located in the U.S. from the Communications-Electronic Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

Tender issued for supply of communications items to UAR

The Telecommunications Organization, Radio Communication Administration, has issued Tender No. 45/69 P. Radio, for the supply of communications equipment. The bid deadline is December 15.

Bids should offer three U.H.F. fixed station equipment, 42 U.H.F mobile transceivers, three U.H.F fixed transceivers, three self supporting towers and associated test equipment.

Copies of the tender announcement and specifications are available from the Telecommunications Organization, Radio Communication Administration, Auto Exchange Bldg., P.O. Box 795, Cairo, U.A.R. or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

Choice of language

Some people—about seven-eighths of them—just do not understand English.

So when you answer an advertiser in these pages who requests replies in his own language oblige him *and* yourself.

Ask the Department of Commerce Field Office for advice.

Malaysia sets deadline for bids on transmitters, transformers

The Director General Telecoms Headquarters, Jalaan Bukit Nanas Kuala Lumpur, has issued a tender for the supply of M.F. transmitters and wideband matching transformers. The bid deadline is December 1.

Bids should offer two medium frequency 1 to 3KW, six channels, frequency range 405 to 1600 Khz, RF power capacity 5KW peak.

Copies of the tender announcement and specifications are available from the Director-General Telecoms Headquarters, Jalaan Bukit Nanas, Kuala Lumpur, Malaysia or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

Korea issues tender for supply of microphones and equipment

The Office of Supply, Government of the Republic of Korea, has issued Tender No. KFX-9298-S (Part IV) for the supply of audio equipment. The bid deadline is December 2.

Bids should offer one multi-channel microphone distribution amplifier and 10 dynamic microphones with boom attachment and microphone cables.

Copies of the tender announcement and specifications are available from the Procurement Office, Korean Consulate-General, 9 E. 80th St., New York, N.Y. 10021, or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

Leads for Importers

Commodities are offered direct unless specified

091 Fisheries

09140—ECUADOR—Shark liver oil, crude; shark livers; shark meal; shark skins, raw (small quantities). Jorge Real Gonzales (importer, exporter, agent), P.O. Box 5431, Guayaquil. WTD 10/69.

289 Chemical products

28993—SWEDEN—Plastic cased fireworks; Christmas tree sparklers. Hammargren & Co. A.B. (manufacturer, importer exporter), Box 68, S-430 37 Anneberg. WTD 10/69.

307 Plastic products

30790—GERMANY—Acid proof thermoplastic machine parts, ventilators, fittings, containers, apparatus for chemical industry. Kunststoffe Hch. Brinkmann KG (manufacturer, distributor, importer, exporter), Postfach 240, D6079 Sprendlingen. WTD 10/69.

30797 — SWEDEN — Plastics dinnerware, tableware, kitchenware. Hammarplast AB (manufacturer, exporter), S-360 20 Tingsryd. WTD 12/68.

30798—SWEDEN — Consumer, commercial plastic products. Hammarplast AB (manufacturer, exporter), S-360 20 Tingsryd. WTD 12/68.

New Books and Reports

***The Making of Multinational Enterprise.* Published by Division of Research, Harvard Business School. 1969. 511pp. $20.**

This book is an outgrowth of the Harvard Business School's Multinational Enterprise Study. A unique file of data has been gathered on the activities of the more than 10,000 foreign subsidiaries of 187 major U.S. manufacturing corporations.

In this publication, more than 500 tables based on data selected from the master data bank are presented. These tables, which array nearly half a million statistics, map the expansion and development of the foreign operations of the 187 corporations in the study from 1900 to 1967.

In the ongoing research at Harvard, a considerable number of hypotheses and hunches are being tested against the data, eventually to be described and presented in a series of forthcoming books. However, because researchers and managers elsewhere may have their own uses of the data, Harvard has decided to make the materials available without delay.

Write: Division of Research, Harvard Business School, Soldiers Field, Boston, Mass. 02163.

***Current European Directories.* Published by CBD Research Ltd., Kent, England. 1969. 222pp. $22.50.**

This is a guide to directories, and to other sources of directory information, either published in Europe or including Europe as part of a worldwide coverage. It provides the searcher with a means of identifying the directory to use for a specific task, and it enables the librarian or bookseller who requires specific directories to verify the nature of their contents and to identify their publishers.

The directory includes many types of work that can be used to supplement conventional directories, such as, Who's Who, Gazetteers, Registers of Ships, and membership lists of trade associations and professional institutes. It includes all countries of Western and Eastern Europe except Turkey.

Descriptions in the directory includes the title, alternative titles in other languages and, where necessary, English translation of title; name, address and telephone number of the publisher and the publisher's agents abroad; date of first edition, frequency and month of publication; date, price and pagination of latest edition seen; area covered; types of organization listed, method of arrangement, and extent of information given; indexes provided; languages of text, indexes and explanatory notes.

Write: CBD Research Ltd., 154 High St., Beckenham, Kent, BR3 1EA, England.

***Finding Domestic Finance for Industrialization.* By Manfred Reichardt. Published by *Finance and Development*, Washington, D.C. Vol. 6. June 1969. 39-43pp. Free.**

This report examines the financing aspects surrounding industrialization of a developing country. It notes that this development depends on such factors as entrepreneurship, technical knowledge, competent accounting and capital.

The report follows the early steps usually taken by a developing country and the events as industrialization proceeds.

Write: *Finance and Development*, 19th and H St. NW., Washington, D.C. 20431.

***European Chemical Market Research Sources.* Published by Noyes Development S.A. London. 1969. 99pp. $18.64.**

This book has been prepared to serve as a guide to important sources of information on European chemical markets. It provides a rapid means of identifying publications likely to be of assistance.

In selecting references, the publisher has concentrated on publications that are generally available rather than private surveys with limited distributions.

The book opens with an international section, listing sources with a world of European coverage and summarizing their contents. In addition to statistical publications, such as those issued by the United Nations or European Economic Community, data are included on business directories, chemical trade journals specializing in marketing and industrial news, and a selection of miscellaneous sources.

In subsequent chapters, information on 16 European countries is dealt with separately and in detail. Entries include the names and addresses of the issuing authorities and, where appropriate, details of the information given. Frequency of publication is also indicated.

Write: Noyes Development Corp., Noyes Bldg., Park Ridge, N.J. 07656.

INTERNATIONAL MARKETING INFORMATION SERVICE

Latest IMIS reports are:

Country Market Digests (*best sales prospects in*): Philippines, IMIS—69-25. 10 cents.

IMIS reports are available from Commerce Field Offices or from Sales & Distribution Branch, Room 2119, Department of Commerce, Washington, D.C. 20230.

***The Corporation in American Politics.* By Edwin M. Epstein. Published by Prentice-Hall, Inc., Englewood Cliffs, N.J. 1969. 365pp. $8.50.**

This book examines the impact of business corporations activity on American politics and analyzes the historical development and current status of political behavior of corporations.

Arguments are presented for and against corporate political involvement in a pluralistic democracy. Suggested are fundamental reevaluations of the basic assumptions regarding corporate political activity.

In view of the premise made that the corporation is a necessary and legitimate participant in the political process, significant changes in public policy are proposed.

Write: Prentice-Hall, Inc., Englewood Cliffs, N.J. 07632.

***Guide to Local Financing Abroad.* Published by International Reports, Inc., New York. 1969. 95pp. $95.**

How to cut financing costs and eliminate foreign exchange risks in over 60 countries is told in this newly published guide. The report is essentially based on first-hand information from individual central banks and other official and private financing institutions.

The first part of the report contains an explanation of the meaning and use of swap financing and describes the different types of such operations. The main section lists rules and regulations for official and private swap transactions in individual countries.

In addition, private credit facilities are discussed and supplemented by tabulations of rates, costs and other data.

Write: International Reports, Inc., 200 Park Avenue South, New York, N.Y. 10003.

☆ U. S. GOVERNMENT PRINTING OFFICE 1969—392-311/20

Calendar *for international traders*

CHICAGO—Dec. 2—Automotive Exporter's Club of Chicago, Builders Bldg.

CHICAGO—Dec. 4—Chicago Association of Commerce & Industry and The Illinois Department of Business and Economic Development, luncheon on EFTA, The Furniture Mart, 12 noon.

CHICAGO—Dec. 11—International Trade Club of Chicago, La Salle Hotel, luncheon meeting, 12 noon.

CHICAGO—Dec. 17—Chicago Midwest Credit Management Association, Bismarck Hotel.

CHICAGO — Feb. 11-13 — Annual Personnel Conference, Palmer House. Sponsor: American Management Assn.

CINCINNATI—Dec. 3—Third Annual Export Trade Workshop, sixth of seven consecutive Wednesday sessions, University of Cincinnati. Sponsors: Commerce Field Office, REEC, University of Cincinnati.

DETROIT—Dec. 3—Export Seminar, 445 Federal Bldg., 9:30 a.m. Sponsor: Commerce Field Office.

DETROIT—Dec. 18—Export Seminar, 445 Federal Bldg., 9:30 a.m. Sponsor: Commerce Field Office.

GRAND RAPIDS, MICH.—Jan. 27—Western Michigan World Trade Club, Swiss Chalet, 6 p.m.

HONOLULU—Dec. 17—Export-Import Workshop, 286 Alexander Young Bldg., 10 a.m. Sponsors: Commerce Field Office, SBA.

INDIANAPOLIS — Dec. 2 — Eighth of ten consecutive Tuesday International Trade Seminars, Purdue University, 8-10 p.m. Sponsors: Commerce Field Office, Indiana Chamber of Commerce, World Trade Club of Indiana, Purdue University, Indiana University.

JONESBORO, ARK.—Dec. 11—Export Workshop, Citizens National Bank. Sponsors: Commerce Field Office, REEC.

LIBERAL, KAN.—Feb. 3-4—Fifth Annual Well Drilling, Production and Maintenance Institute and Exhibit. Sponsor: The University of Kansas Southwest Center.

LIBERAL, KAN.—Apr. 7-8—Seventeenth Annual Gas Compressor Institute and Exhibit. Sponsor: The University of Kansas Southwest Center.

Calendar deadline

Information for publication must be received three weeks before the date of the announced event. Include time, place, sponsoring organization and special topic, if applicable. Meetings must be open to the public in order to be publicized in this space. **Write:**

Managing Editor

International Commerce

BIC-204

U.S. Department of Commerce

Washington, D.C. 20230

MEMPHIS—Dec. 4—Export Workshop, Union Planters National Bank. Sponsors: Commerce Field Office, REEC.

MEMPHIS—Dec. 10—Export Problem Clinic, Sheraton Motor Inn. Sponsors: Commerce Field Office, Mid-South Exporters' Roundtable.

MEMPHIS—Dec. 16—Memphis World Trade Club, Sheraton Motor Inn.

MILWAUKEE—Dec. 4—Milwaukee World Trade Club Monthly Meeting. Panel Discussion: "World Trade Outlook for 1970." Holiday Inn-Midtown.

NEW YORK — Jan. 5-7 — International Corporate Insurance & Employee Benefit & Pension Management Concurrent Briefing Sessions, Roosevelt Hotel. Sponsor: American Management Assn.

NEW YORK—Feb. 25-27—Annual EDP Conference, Americana Hotel. Sponsor: American Management Assn.

NEW YORK—Apr. 20-23—Annual Packaging Conference and Exposition. Conference, Apr. 20-22, American Hotel. Exposition, Apr. 20-23, Coliseum. Sponsor: American Management Assn.

PHILADELPHIA—Dec. 2—Export-Import Course, third of 26 consecutive Tuesdays, Academy of Advanced Traffic, 6-10 p.m. Instructor: Stanley Kaplan, vice president, John H. Faunce, Phila., Inc., tuition, $195, plus $20 enrollment fee for non-members. Contact: William J. Guest, Tel. 215-563-3061.

PHOENIX—Dec. 8—Export Workshop, 5413 Federal Bldg., 10 a.m.-12 noon. Sponsors: Commerce Field Office, REEC.

ST. LOUIS—Dec. 2—"Show You" Export Workshop, Conference Room, Federal Bldg., 2 p.m. Sponsors: Commerce Field Office, REEC.

ST. LOUIS—Dec. 16—"Show You" Export Workshop on Documentation, Conference Room, Federal Bldg., 2 p.m. Sponsors: Commerce Field Office, World Trade Club, Chamber of Commerce.

STRATFORD, CONN.—Dec. 3—Combination Export Managers Association of Connecticut, General Luncheon Meeting, The Stratford Motor Inn & Mermaid Tavern, reception and cocktails 11:15 a.m., luncheon 12 noon.

WASHINGTON—Mar. 23-24—10th Annual Washington Conference on Business-Government Relations, Shoreham Hotel. Sponsor: The American University Center for the Study of Private Enterprise.

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